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INSIDE TODAY

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The good
German
pastor

Page 4



Syria hints it may follow Jordan into conference

By YEHUDA LITANI
and ELAINE RUTH FLETCHER

Syria has indicated that it might join Jordan in an international Middle East peace conference—a move that would dramatically improve the chances for convening the meeting, highly placed Jordanian sources have said.

The sources said Syria appears ready to go along with King Hussein's conditions for the conference—conditions set down in a statement released Sunday by the Jordanian government. Those conditions, which mirror U.S. requirements, call on the peace conference participants to "renounce any acts of violence and terror," and to accept UN Security Council resolutions 242 and 338.

Syria's participation could bring Palestinians now hesitant to join a peace conference without the PLO's blessing into the process.

Amman has been sorely lacking Palestinian partners for a peace conference since its falling out with the PLO last summer.

Syria has been pushed to soften its stance on a peace conference because of a worsening economic situation, the Jordanian sources said. The economic crisis has created a drastic shortage of foreign currency and has weakened the Syrian military's ability to confront Israel. This, in turn, has prompted Damascus to seek closer ties with Jordan and other Arab states from which Syria is now estranged because she supports Iran in the Gulf war, the sources said.

Jordan, for instance, recently sent Damascus a 50,000-ton emergency shipment of wheat because Syria

apparently lacks the foreign currency even to procure wheat from its superpower ally, the Soviet Union. Jordan also has been instrumental in arranging recent meetings between Syria's President Hafez al-Assad and Iraq's Saddam Hussein as part of a Syrian-Iraqi rapprochement.

Jordan, while seeking Syrian participation in the peace effort, has issued a new challenge to Israel to come out formally in favour of an international peace conference.

The challenge was contained in the text of an official statement by Jordanian Prime Minister Zaid al-Rifai released on Sunday to the Jordanian news agency.

"The world is still waiting for the agreement of the Israeli government on the convening of a peace conference and its participation on the abovementioned basis," said the statement, referring to the condition

laid down by King Hussein.

"... It is not useful to go ahead in the preparation of such a conference while Israel in principal rejects its being convened, and also refuses to take part in its work when it is convened."

Rifai's statement denied Israeli reports of a Jordanian-Israeli contacts and agreement on convening a conference as "baseless."

But the statement also said there was "an agreement by the parties concerned on the necessity of holding such a conference."

The statement also said the conference participants should agree to "find a settlement to the Palestinian question, in all its aspects, including the restoration of the legitimate rights of the Palestinian people—and they should renounce any acts of violence and terror."

(Continued on Page 2, Col. 1)



Independence Day in Canada Park outside Jerusalem: A picnicker offers a snack to a paratrooper on security detail in the park. Stories page 2.

Likud lashes out against conference

By JOEL GREENBERG
Jerusalem Post Correspondent

ARIEL—Likud leaders yesterday launched a counter attack against Foreign Minister Peres's moves to arrange an international peace conference and vowed to block him.

"You want the Likud to give you a national umbrella for a conference in which parts of the Land of Israel will be turned over to foreign rule," said Housing Minister David Levy. "We will give you no such umbrella. Mr. Peres."

Levy addressed a rally in support of settlement organized by the Herut movement at the West bank town of Ariel. A contingent of Mapam activists, who arrived at Ariel to protest funding for settlement were assaulted by participants in the rally and were forced to leave under police protection.

Before the rally, Herut youth members led a convoy of some 50 vehicles to a number of neighbouring West Bank settlements. In Kalkilya the procession moved through

the town with horns blaring and lights flashing.

"We don't want early elections, but we will not stand idly by if we are served with an ultimatum," Levy told the cheering crowd of about 3,000 at Ariel. "We value the government partnership, but the Land of Israel is more dear to us."

Levy said that despite assurances by Peres that an international conference would not be able to impose solutions on Israel, "the fate of the Land of Israel will be determined (at the conference) in conditions of unprecedented difficulty, and under direct and indirect pressure."

He said Peres had worked behind the backs of Likud ministers, and had failed to produce assurances that the Soviet Union would accept Israel's condition for participation in peace talks, and that Jordan would negotiate without the PLO. Israel's withdrawal from the conference if it tried to impose a settlement, would only expose it to "serious pressure"

(Continued on Back Page)

The Jordanian position

The statement made to Petra, the Jordanian news agency, by Jordanian Prime Minister Zaid al-Rifai:

"In the last two years, King Hussein has made intensive efforts to gain the agreement and support of the five permanent members of the UN Security Council on an international conference to be called by the UN secretary general and attended by all interested parties in the conflict, including the PLO."

"The results of these efforts was the agreement by the parties concerned on the necessity of holding such a conference after they became convinced that no peaceful settlement in the Middle East could be achieved except through an international conference for peace in the Middle East, whose participants would agree to attend it with the aim of reaching a comprehensive settlement to the Arab-Israeli conflict on the basis of UN Security Council resolutions 242 and 338, and to find a settlement to the

DOCUMENT

Palestinian question, in all its aspects, including the restoration of the legitimate rights of the Palestinian people—and they should renounce any acts of violence and terror."

"It is known that Jordan insists on the necessity of extending an invitation to the PLO to take part in such a conference and that Jordan has worked to enable this organization to take part in a peace conference within a Jordanian-Palestinian delegation in the light of the Amman agreement of February 11, 1985."

"As for the peace reports on agreements and contacts, these are all baseless. In fact the world is still waiting for the agreement of the Israeli government on the convening of an international peace conference, and its participation on the abovementioned basis. As a step necessary in convening such a conference, it is not useful to go ahead in preparing the conference while Israel in principle rejects its being convened, and also refuses to take part in its work when it is convened."

Peres giving Shamir 'one last chance'

By BENNY MORRIS
and JUDY SIEGEL

Foreign Minister Peres will try this morning "one last time" to persuade Prime Minister Shamir to agree to an international peace conference. But Peres's aides anticipate failure, and predict that the foreign minister will submit the American-sponsored proposal for the conference—along with Sunday's official Jordanian statement and an interpretation of its significance—to the inner cabinet for a decision.

U.S. ambassador to Israel Thomas Pickering said yesterday at the Independence Day reception at the President's House that there is now "a very good chance" for the convening of such a conference. He added that the U.S. would do all it could to contribute to the peace process.

Labour's elder statesman MK Abba Eban predicted yesterday that after Peres's submission of the conference proposals to the inner cabinet, Peres would seek a Labour leadership bureau mandate to authorize the party's Knesset faction to try to muster a 61-member majority for dissolution and early elections.



Foreign Minister Peres in conversation with U.S. Ambassador Pickering at Beit Hanassi yesterday.

(Rahamim Israeli)

Eban believes Labour is "pretty close" now to having in hand such a majority. Labour would avoid a situation that would leave the Likud in control indefinitely of transitional government.

One source suggested that Labour would play along with a Likud effort to delay the inner cabinet decision "by a few weeks" in order to engineer a September-October election.

(Continued on Back Page)

Abba Eban on latest peace developments:

From rhetoric to diplomacy

King Hussein, "quite logically," now wants Israel "to take a decision in principle regarding the international conference," says MK Abba Eban.

"He has put the ball in Israel's, or rather Shamir's court."

Eban, chairman of the Knesset Foreign Affairs and Defence Committee, was commenting on Sunday's official Jordanian statement on

the state of the peace process and prospects for the convening of such a conference.

Eban says that Hussein does not want to needlessly expose himself to "pressures and intimidation" by the Arab states. He will do so, Eban implies, if he is sure that "there will be a result" that is, a conference.

Eban cites Jordan's readiness to go to a conference "with Palestinian representation, which creates no difficulties for Israel or the U.S.," that

is, with non-PLO people, as one of Peres's "two important breakthroughs" in recent months.

Not that a conference is around the corner, says Eban. "But Jordan has now come much closer to negotiating with us with as few obstacles as possible, than in the past."

The other major Peres achievement, according to Eban, "and it is the more impressive one" is on the American front. "For the past two years I have been writing that U.S. passivity (vis-a-vis the Middle East) has been an obstacle to the peace process. I contrasted it with American dynamism under Carter and under Kissinger."

"The fact is," Eban continues, "all Israeli-Arab agreements in the past have depended on third party (mediation or initiatives), starting with Ralph Bunche in Rhodes in 1949 through the 1973 Geneva conference and the disengagement agreements with Syria and Egypt, and ending with the Camp David agreements of 1978 and the Israel-Egypt peace treaty of 1979. The third party is crucial to agreements."

(Continued on Page 7)

IN BRIEF

Hart's fidelity troubles

WASHINGTON (AP).—Gary Hart says a *Miami Herald* story claiming that the presidential candidate spent the night with a young woman over the weekend isn't true, and his campaign manager called it character assassination.

But a *Herald* executive said the newspaper stands behind its front-page story, published on Sunday, which told how its reporters followed a young actress from Miami to Washington and saw her leaving a townhouse belonging to Hart. The newspaper said she "spent Friday night and most of Saturday" with the 50-year old politician.

Hart, a former Colorado senator who is the front-runner for the 1988 Democratic nomination, denied any personal relationship with the woman, identified as Donna Rice, and denied any impropriety. Hart has been married for 28 years, but has twice been separated from his wife. He said Donna Rice was "a friend."

U.S. arms cut proposal

GENEVA.—The U.S. will soon present a draft treaty calling for "drastic" 50 per cent cuts in long-range nuclear missiles, Max Kampelman, chief U.S. negotiator to the current arms talks said on arrival here yesterday.

President Reagan also expressed confidence from Washington: "I am firmly convinced that a start agreement is within our grasp, even this year, if the Soviets are prepared to resolve the outstanding issues," the president said in a statement.

With some 10,500 nuclear warheads on each side, such cuts in long-range arsenals were a top priority for the U.S. and would "enhance the security of both sides," Kampelman said.

"I expect a treaty, a fully-fledged treaty," said Vorontsov, who is also first deputy foreign minister, when he flew back for the eighth round of talks beginning today. (Reuters, AP)

Fewer Soviet dropouts

More than half of the Jews leaving the Soviet Union from January to April this year came to Israel, the Public Council for Soviet Jewry has reported. Of the 1,431 who emigrated, 717 came to this country, the largest number since 1983. A total of 42 Soviet Jews arrived on the eve of Independence Day, the largest number to have come in one day in recent years, the council said. (Tum)

(See related stories, p. 4)

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The weather at major Swissair destinations

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AMSTERDAM	5	11	Cloudy
BRUSSELS	5	11	Cloudy
BURBANK	1	14	Clear
CHICAGO	4	10	Clear
COPENHAGEN	4	11	Clear
FRANKFURT	4	11	Clear
GENEVA	4	11	Clear
HELSINKI	7	16	Cloudy
HONG KONG	20	28	Cloudy
JERUSALEM	15	25	Clear
LONDON	3	12	Clear
MADRID	14	21	Clear
MUNICH	1	13	Cloudy
NEW YORK	10	15	Clear
OSLO	4	11	Cloudy
PARIS	5	11	Clear
RIO DE JANEIRO	26	33	Clear
SÃO PAULO	15	27	Clear
STOCKHOLM	5	14	Clear
TOKYO	11	18	Clear
TORONTO	1	12	Clear
VIENNA	5	11	Clear
ZURICH	5	11	Clear

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THE WEATHER

Forecast: Warmer and drier.

	Yesterday's Humidity	Yesterday's Min-Max	Today's Min-Max
Jerusalem	48	8-20	23
Golan	21	7-24	26
Nabatieh	—	—	23
Safed	—	—	23
Haifa Port	52	15-23	25
Tiberias	50	11-29	30
Nazareth	—	—	—
Afula	52	10-23	26
Shomron	37	10-24	26
Tel Aviv	75	12-22	25
B-G Airport	44	10-23	25
Jericho	32	15-30	30
Gaza	13	13-31	33
Beersheba	41	14-24	27
Eilat	11	17-32	33

Student strike begins today

By LEA LEVAVI
Jerusalem Post Reporter
TEL AVIV. — Students are to begin a general strike of the nation's universities today and have threatened to continue it until the cabinet decides on university tuition fees for next year. The National Students Union is also planning a demonstration outside the Prime Minister's Office during today's cabinet meeting.
If the cabinet does not make a decision today, the students will try to close the campuses completely tomorrow, blocking research and other university activities. But National Student Union Chairman David Berman expressed some doubts yesterday about whether they will succeed in bringing the universities to a complete halt.

SLA soldier killed by roadside bomb

Jerusalem Post Reporter
ROSH HANIKRA. — A South Lebanese Army soldier was killed and three others wounded in a roadside bomb blast on Sunday, South Lebanese sources reported.
The soldiers were on a routine patrol near the Christian township of Jezzine, which is outside the security zone in South Lebanon.

Arafat offers to meet Israeli leader

KUWAIT (AP). — PLO leader Yasser Arafat yesterday offered to meet any Israeli leader under UN auspices to discuss setting up a Palestinian-Israeli state.
Arafat said the Israeli could be Prime Minister Yitzhak Shamir, Foreign Minister Shimon Peres or another Israeli government leader.
Arafat, addressing a press conference at Kuwait's government guest house, said he was reacting to a proposal relayed to him recently in Algeria by a journalist on behalf of Minister-without-Portfolio Ezer Weizman.
"Weizman suggested a meeting with me to discuss establishment of a confederation. But I put up a challenge to him to meet with me, himself or any Israeli leader, even Shamir or Peres, under the auspices of the United Nations, to discuss the setting up of a dual-nationality state instead of a confederation," said Arafat.
Weizman was apparently referring to a confederation between a Palestinian state on the West Bank and Gaza Strip, and Israel.
Arafat also said he was proud of Egyptian President Hosni Mubarak and indicated Cairo had a vital part to play in the Palestinian cause.
"There is no peace and no war without Egypt," he said.
Despite strains between Egypt and the PLO over criticism of Cairo's ties with Israel, Arafat praised Mubarak as a "good, noble" man whom he respected. "I am proud of him."

Koch hints hassidic leaders are racists

By WALTER RUBY

Jerusalem Post Correspondent
NEW YORK. — Mayor Ed Koch yesterday implied that Lubavitch hassidic leaders in Crown Heights are "racists" and warned that Hassidim who take the law into their own hands will be punished by law enforcement officials.

Koch was responding to charges by Hassidic leaders that New York City Police Commissioner Benjamin Ward, a black and a Koch appointee, is an anti-Semite who is persecuting the Hassidic community.

Asked by *The Jerusalem Post* for his reaction to the charges, Koch said "The next thing we'll hear is that the mayor is also anti-Semitic... The police commissioner is not anti-Semitic, and that is a vile charge to make. Its the kind of charge that racists who are black make against people they disagree with, and racists who are Jewish also make against people they disagree with."

Ofakim girl flying to England today for liver transplant

By BRADLEY BURSTON

For The Jerusalem Post
BEERSHEBA. — A three-year-old girl from the Negev town of Ofakim is to fly to England today for a liver transplant, after doctors at Haifa's Rambam Hospital failed in efforts to find a donor in Israel.

The Ofakim city council and Soroka Hospital have begun an intensive fund-raising drive on behalf of Dana Bitto, described by Soroka physicians as fully conscious but in critical need of a transplant.

Sources at Soroka also said that Yakobov Rabashi, a 29-year-old Beersheba father of two who has been waiting for a liver transplant for six months, will be flown to England shortly for the operation.

In London, transplant recipient Moran Kadosh showed signs of improvement over the weekend. Moran, 4, underwent the surgery last week after fellow passengers on her El Al flight to England contributed NIS 118,000 toward her medical fees.

Donations for all three transplant operations are being collected through Beersheba's Olam Maleh fellowship. Contributions may be made to Olam Maleh — Bank Hapoalim Branch 631, Account 216905, or to Bank Leumi Branch 921, Account 285794/04.

Vanunu trial hearings cancelled for May

All hearings in the Mordechai Vanunu case have been cancelled during this month, the Jerusalem District Court decided on Sunday. The cancellation was requested by Vanunu's two new lawyers, Edna Kaplan and Avigdor Feldman, to allow them time to study the evidence against him. Vanunu is accused of revealing Israeli atomic secrets. He dismissed his previous lawyer.

'Forget the steaks, here come the Lavis'

The two Lavi fighters that soared over Israel yesterday were greeted by the cheers of millions of Israelis who stood atop cars and interrupted their Independence Day picnics to catch a glimpse of the Israeli-made plane.

On Sunday night, at the opening ceremonies at Mt. Herzl, Knesset Speaker Shlomo Hillel said that even after 20 years of Jerusalem's reunification, efforts were being made to prevent coexistence between Jews and Arabs.

He attacked those who responded to terrorism in illegal ways. "One who takes the law into his own hands, even if he does so out of pain, only strengthens the hands of those who are trying to hurt us," he said.

At the conclusion of his remarks, 12 distinguished Israelis representing the arts, participated in the torch lighting ceremony. This year's theme for Independence Day was

the Israel arts.
Education Minister Navon warned last night, at the Israel Prize ceremonies in Jerusalem, that drastic cuts in education and culture were making art and culture available only to people of means.

"This phenomenon... goes against our social philosophy and we must not accept it," he said.

Navon presented the 24th annual Israel Prize last night at the Jerusalem Theatre.

• **Engineering and Technology:** Ovadia Harari, 44, for his performance as head of the Lavi fighter project.

• **Historiography and Zionism:** Dr. Alexander Bein, historian and Israel's first state archivist, for his work on the history of Israel and the Yishuv.

• **Economics:** Prof. Menahem Ya'ari, for his contribution to the understanding of basic economic

theory, particularly in consumer behaviour, and mathematical economics.

• **Biblical Commentary:** Prof. Ezra Zvi Melamed, for his contribution to Jewish studies on the Bible, the Talmud and the Hebrew language.

• **Acting:** Shared by Miriam Zohar, Lea Koenig and Makram Khoury.

In other events yesterday:
• **President Herzog** held a reception for IDF commanders from the Independence War and from the Six Day War. He later received 128 outstanding soldiers, including 36 women.

"This emotional meeting between generations of fighters underscores a truth that hasn't changed from the Independence War to today: the IDF is the wall that protects Israel!"

"... On this strength — which derives from our social, moral and financial strength — also rests our independence, and in the end also our ability to obtain the most prized

possession: peace with our neighbours."

• **Petah Tikva resident.** Yehzekel Shatz, 17, yesterday won the World Bible Contest for Jewish Youth, beating four other finalists from Israel and North America.

The top-scoring contestant from abroad was Yonatan Kushintzky of the U.S., who won the title of Diaspora Bible champion.

• **In Ashkelon,** the season's second "moto-cross" motorcycle racing was held for the 125cc, 250cc and 500cc classes.

Greek moto-cross racers participated in an international race against a handful of the top Israeli competitors.

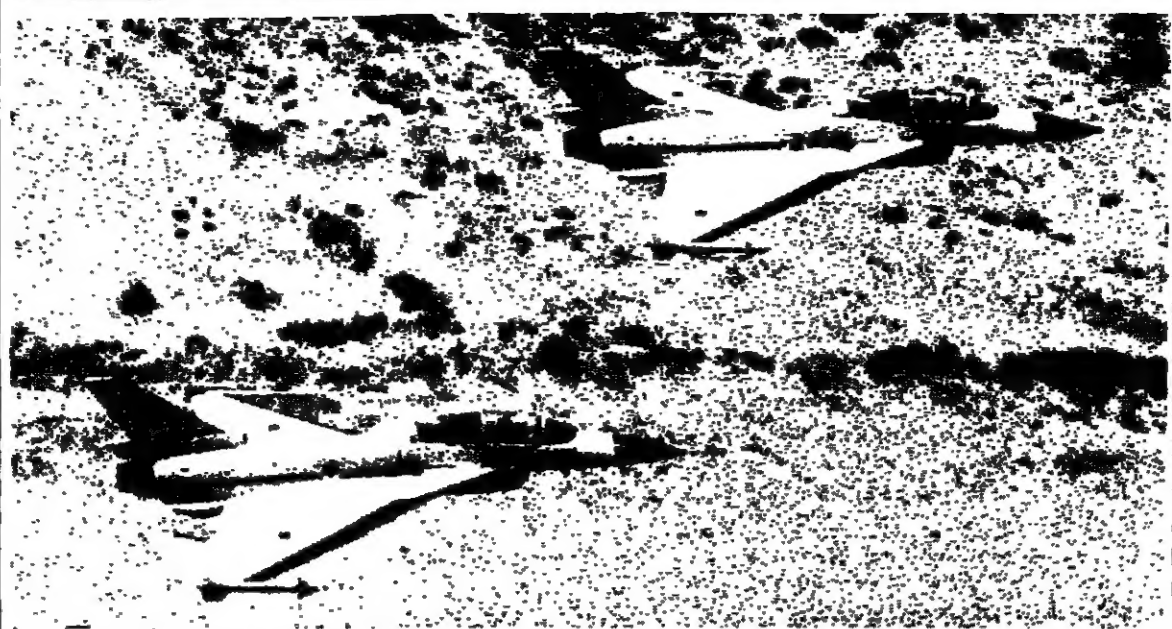
• **Beaches in the south** were reported filled to capacity by yesterday morning, and dance platforms that were put up in parks in Ashkelon, Ashdod, Kiryat Gat, Sderot and Kiryat Malachi attracted record

crowds.
• **The town of Kochav Yair,** near Kfar-Saba, celebrated Independence Day by adopting a tank unit. The unit camped out in the town for three days and exhibited its armor and equipment to the town's children. Soldiers competed in sporting events with local residents.

• **In Haifa,** thousands of people lined the slopes of Mt. Carmel in a chilling wind on Sunday night, to see a fire-works display that was delayed by an hour.

The four-minute display was set off in Remembrance Park, where Mayor Arye Gurel officially opened the celebrations and where a cast of 400 performed a two-hour oratorio, "David's Vision," on the life of David Ben-Gurion.

Later, an estimated 70,000 youths spent the night on the beach at a big rock concert that lasted until dawn.
(Continued on Page 1)



The two Lavi prototypes fly low over the coast during their Independence Day circuit around the country.

100,000 flock to flying festival

By JONATHAN I-ARP

AND AVI HOFFMAN

BEN-GURION AIRPORT. — The two prototypes of the Lavi fighter flew together for the first time yesterday before an audience of over 100,000 spectators who packed the runway here for Israel Aviation Day.

The spectators were also treated to five hours of aerial displays by planes which spanned the entire 39 years of Israeli aviation. A Stearman "Cadet" plane — a relic from the barnstorming days of the 1930s — and a sleek World War II Spitfire performed acrobatic loops and dives, while Scirocco Gambits showed off the latest Israeli technology for light, home-built aircraft.

The turnout far exceeded that of any previous aviation show, such as those staged for limited groups on Air Force Day or last year's Israel Aircraft Industries open house. Yesterday's exhibit, which was sponsored by the Transport Ministry and Israel Airports Authority, was the central Independence Day event, and Transport Minister Haim Corfu said that he hoped to expand it into an international air show.

The tremendous public interest was proven by the long lines of cars which stretched in all directions from the airport. The trip from nearby

Beit Dagan took more than an hour, and by noon, the organizers announced that the specially arranged parking areas were full, leaving drivers to park on the shoulder of the exit from the Jerusalem-Tel Aviv highway, several kilometres away.

Egged and Dan added special bus lines to the air show, as well as providing shuttle service from the parking lots to the exhibit area. Considering the volume of visitors, the bus service operated smoothly.

Hordes of people were all along a 1½ kilometre section of Be'er-Gurion's east-west runway. They eagerly crowded around the more than 40 aircraft, representing exhibits by the Air Force, IAI, El Al and Arkia, and several other private companies or aviation clubs.

The show was marked by stark contrasts, such as the old DC-3 Dakota transport sitting on the tarmac next to the state-of-the-art F-16 fighter. Or the group of ultra-lights, each folding up for easy transport, compared to the El Al Boeing 747 which was parked down the runway.

The Jumbo turned into a giant toy as children played inside the engine cowl, climbing on the landing gear and explored the plane's vast cargo hold.

The purpose of the event which was to celebrate Israeli achievements, was achieved. People smiled proudly when the two Lavis returned from their flight over Jerusalem, Tel Aviv, and Haifa and made their final pass before landing. They were flanked by three other Israeli products: IAI's Kfir fighter and its two business jets, the Westwind and Astra.

This pride was only reinforced by the precision flying of the Air Force pilots in their Fougas. Four of the training planes screamed overhead in a tight, straight-line formation and then formed a diamond for a series of loops and figure-eights.

Some of the visitors expressed disappointment with the air show, noting that its relatively small size did not merit the ticket's price. Those familiar with the Israeli aviation scene, on the other hand, had a more favourable opinion.

"As far as I am concerned, it was a grand success, and I am sure they will continue it," said Jerry Renov, who flew for the IAF from the War of Independence through the Yom Kippur War and now instructs Air Force cadets on Piper Cubs.
"It's not on the same level of the Salon de Paris (Paris Air Show), but for us, in the Middle East, it's great," he said.

Gush Emunim in Jericho: Not an inch

By JOEL GREENBERG

Jerusalem Post Reporter

JERICHO. — "Jericho has been mentioned more than once as a possible option for withdrawal, as a territorial gesture to Hussein. Peres has indicated he wants to give away parts of the Land of Israel. We are here to emphasize that we are not ready to give an inch."

So said Daniella Weiss, secretary-general of Gush Emunim, as she stood surrounded by reporters yesterday at the starting point of the movement's march through Jericho in support of Jewish settlement in the Arab town of 5,500.

Walking behind Weiss, several thousand marchers set out on a dirt path to the outskirts of town and into its outlying neighbourhoods. Scores of soldiers guarded the march route and cordoned off the centre of Jericho, which remained off-limits to the marchers.

The hikers included families and youth groups from West Bank settlements. Also participating were groups from the Tebiya youth movement and NRP-affiliated Bnei Aki-va, who arrived in buses from locations throughout Israel. A contin-

gent of Kach supporters, led by a youth in a yellow movement T-shirt also joined the marchers. Arab schoolgirls on their way home walked between the marchers.

Some of the participants seemed to have come only for a good hike and to be oblivious of the political message behind the march. A woman from Beersheba said that she had come to mark Independence Day, and had no intention of settling in Jericho.

"It's not political," said another marcher. "I hope they don't have the chutzpah to use the occasion to make political speeches."

Marchers sat by the roadside at the entrances to local homes to eat and drink, as Arab families looked on silently from a few feet away.

"I keep my feelings inside," said a school principal as the hikers passed his home, waving Israeli flags. "I told my pupils to go home quietly, and they did, walking with the marchers."

What did he think about the Gush Emunim's demand for settlement in the city? "It's a dream. We are here," he said.

In deep sorrow and grief we announce the passing of
our beloved and devoted sister
RIVKAH PASIK (née Margolies)
The funeral will take place today, Tuesday, May 5, 1987, at 2:00 p.m., at the old cemetery, Rehovot.
The bereaved:
Sisters: Belle Gitelman, Jerusalem
Dorothy Shedler, U.S.A.
Brothers: Rabbi Morris Margolies, U.S.A.
Rabbi Irving Margolies, U.S.A.
Israel Margolies, U.S.A.
Shiva at the Gitelman residence, 4/11 Ben Tabai, Jerusalem

Amit Women
(formerly American Mizrahi Women)
shares in the grief of
Belle Gitelman
Chairman of the Israel Executive
on the passing of her sister
RIVKAH PASIK (née Margolies)
and extends sincere condolences to the family.
מקום נוחם אתכם בן שאר אנכי ציון וירושלים
Frieda Kufeld, National President, U.S.A.
Executive Board Israel
Council of Chugim Israel

We share the grief of
the Shoham family
Chemipharm Ltd.
(Formerly: Koppel and Co. Ltd. Chemitrade)

On the thirtieth day after the passing of our beloved
YARON BORIS
a memorial meeting and unveiling of the tombstone will be held at 5:30 p.m. today, Tuesday, May 5, 1987 at the Kfar Samir cemetery, Haifa.
We shall meet at the entrance.
The Family

Five more put in administrative detention

By JOEL GREENBERG

Jerusalem Post Reporter

Five Palestinians from the De-haishe refugee camp have been put in administrative detention for six months on orders of OC Central Command Aluf Ehud Barak.

The five have been accused of subversive activities. They are being held according to the Emergency Defence Regulations, which permit detention without trial for up to six months.

Woman, 25, dies after fall from Old City Wall

A 25-year-old woman living in the Old City's Jewish Quarter died on Sunday night after being found injured at the foot of the Old City wall near the Dung Gate earlier in the day. She carried no documents on her person, but was identified after relatives reported her missing. Her name has not been released for publication.
The police believe she may have committed suicide by jumping from the top of the wall. (Iam)

SYRIA

(Continued from Page One)

In another unusual note, the statement said the PLO should be invited to take part in the conference. But it added that Jordan had worked for PLO participation within a Jordanian-Palestinian delegation "in the light of the Amman agreement of February 11, 1985."

The Amman agreement, however, has become a dead letter since the PLO's formal abrogation of the accord at a recent Palestine National Council meeting in Algiers.

The Amman accord called for Jordanian-PLO coordination on peace moves.

Sunday's statement was released following high-level consultations between King Hussein, al-Rifai, the Army chief of staff Zeid Shaker, and Foreign Minister Taher al-Masri, the Jordanian sources said.

Gershon and Dalia Yerushalmi are happy to announce that the Brit Mila of their son

will take place on Wednesday, May 6, 1987 at 4:00 p.m. at Olami Yisrael, 36 Rehov Yafa, Jerusalem

מסדא פון אלא

President says continued aid to Contras 'imperative'

Televised Irangate hearings threaten Reagan recovery

WASHINGTON (Reuter). - Televised congressional hearings into the Iran arms scandal which begin today threaten to jeopardize the modest political recovery President Reagan has made over the past two months.

White House aides are looking to Reagan to sustain the recovery, and the key, they say, is not to let the hearings dominate the White House agenda, provoking constant responses to the latest revelations.

The difficulty is that through the joint Senate House of Representatives hearings the public will hear for the first time inside stories of the covert sale of U.S. arms to Iran and the diversion of proceeds to Nicaragua's Contra rebels from key figures such as retired Air Force Major-General Richard Secord, resigned national security adviser John Poindexter and, possibly, fired former Poindexter aide Oliver North.

The White House suffered new setbacks last week after a period when Reagan appeared to be riding out the affair.

Carl "Spitz" Channell, a conservative fund-raiser with access to the White House, pleaded guilty to tax fraud in the first criminal conviction of the Iran affair. He admitted money he raised in the guise of humanitarian aid was used to buy arms for the Contras, and he implicated North as a co-conspirator.

Senator Daniel Inouye, chairman of the Senate's Iran-Contra investigating committee, said Reagan "was not a peripheral player. He was involved very deeply" in Contra funding efforts. Inouye added that he believed the president knew more about raising funds for Contra rebels than the White House has admitted.

Disclosure of a Federal Bureau of Investigation file which quoted North as saying in 1985 that he had discussed with Reagan a covert White House effort to raise funds for the Contras.

All this has forced the White House to start issuing disclaimers even before the Congressional hearings start.

The real danger for the president, analysts say, is that such questions will be magnified greatly once the hearings start.

White House strategy appears to be to maintain the activist-president image of recent weeks and hope for the best - or, at least, not too much of the worst.

In a speech on Sunday seeking support for his Central American policies, Reagan said that ending U.S. aid for Nicaragua's rebels would give the Soviets one of their biggest foreign policy victories since World War II.

Reagan's speech, delivered to the 100th annual convention of the American Publishers' Association, was the first major pronouncement on Contras' aid since his presidency was thrust into its recent crisis.

An end to the funding would halt military pressure by the Contra rebels and political pressure by regional democracies, Reagan said. The Soviets would solidify their base in Nicaragua and the insurgency in El

Salvador would escalate.

Reagan said he would soon ask Congress to renew funding for the Contras, who are receiving \$100 million this year, including \$70 million in military aid.

But White House sources maintained yesterday that the U.S. was abandoning the prospect of victory on the battlefield and is leaning toward broad-based diplomatic negotiations to change the complexion of the Nicaraguan government.

"This is not lip service," they maintained.

Observers say a congressional perception that Reagan is serious about pushing for talks would increase the chance of approval of the large request in aid for the rebels. That would allow a carrot-and-stick approach - talks as the carrot and well-armed insurgents as the stick.

Most Americans who answered a survey on the Iran-Contra scandal believe Reagan was more deeply involved than he has admitted, *Newsweek* magazine said this week.

Police fire rubber bullets at student protesters

Eve-of-poll crackdown in S. Africa

JOHANNESBURG. - As campaigning ended yesterday in the whites-only parliamentary elections, South Africa braced for two days of protests called by anti-apartheid groups opposed to the ruling National Party.

At the Witwatersrand University, riot police spent four hours dispersing students protesting against the elections. More than 100 police made three separate charges to break up the large student gatherings at the predominantly white university.

Police helicopters flew over black townships near Johannesburg, their loudspeakers urging people to show up for work today and tomorrow and assured them that security forces would give protection from "intimidation by radicals."

National Police Commissioner General Johann Coetzee said demonstrations and other actions that might disrupt the poll would be banned.

Black labour leaders announced last week that a two-day peaceful protest would be staged to coincide with the election, in which South Africa's 25 million blacks have no say.

The police active at Wits University fired tear gas, and rubber bullets, charged thousands of students with batons and whips and arrested scores of protesters who had gathered to

denounce the election.

The students had assembled at the university to hear a speech by black leader Winnie Mandela, wife of jailed nationalist Nelson Mandela and herself a symbol of protest.

Instead, a last-minute magistrate's order banning the gathering was read by black student leader James Seseko. When the students refused to disperse, police rushed at them brandishing their whips. At least 120 protesters, including campus leaders of all races, were taken away by police, who confiscated films from television crews.

Winnie Mandela, a registered student at the university, and dressed in a traditional red African robe, walked off the campus and told reporters: "This is typical of South Africa today."

Police detained at least 13 television newsmen and photographers for periods up to three hours after the protests. Film was removed from cameras and several networks reported having equipment confiscated.

The planned stayaway is the first attempt at a black national strike since June 16, the anniversary of 1976 riots in Soweto.

A major force behind the election protest is the 600,000-member Congress of South African Trade Unions, which says the election

"deepens racism, fear and ignorance among the white electorate."

Close to 30,000 black rail and postal workers affiliated with COSATU are on strike. The seven-week rail strike, the longest and largest ever in South Africa's public sector, led to the dismissal of more than 17,000 strikers.

The National Party's campaign to extend its 40-year hold on power is being waged with the slogan: "Reform, yes. Surrender, no." Despite goading from both the left and far-right, the Nationalists have balked at saying what they mean by reform.

A ban on opinion polls near the time of the election and an increase in the number of voters since the 1981 white minority election by almost one million to three million has left analysts unsure who will come second, the liberal left or the ultra right. It is certain, however, that the ruling National Party will come out on top.

Leaders of the country's entertainment, business and sports communities have all made late public gestures opposing apartheid.

Gavin Relly, the chairman of South Africa's most powerful corporation, Anglo-American, said apartheid "has made fools of us all" and urged voters to support candidates committed to racial equality.

Waldheim to act against U.S. ban

VIENNA (Reuter). - Austrian President Kurt Waldheim said yesterday he would take legal action in response to last week's ban on his entry into the U.S.

At the same time, the Austrian government said it intends to establish a commission of historians to examine allegations about Waldheim's wartime activities. Foreign Minister Alois Mock announced yesterday.

Speaking in an interview with Austrian Radio, Waldheim said his lawyers in the U.S. and in Austria were investigating what legal action he could take.

Mock told a news conference a commission would be set up after consultations with Waldheim. He said the commission could also include foreign experts, if Waldheim approved them.

Mock also announced that Waldheim was likely to visit Jordan early in July, and Egypt later this summer. Hungary became the first European country last week to extend an invitation to the Austrian president.

Waldheim would be within his rights if he took legal action against the ban, a U.S. justice department spokesman said yesterday. Under our laws, everyone is entitled to their day in court," he said.

Spectacular 'Aida' at Luxor

LUXOR (Reuter). - International jetsetters paid up to \$750 a seat to hear Placido Domingo become the first tenor to perform Giuseppe Verdi's *Aida* in its original setting in a 3,200-year-old Pharaonic temple beside the Nile.

Royals rubbed shoulders with the rich for the gala premiere attended by more than 3,000 opera fans over the weekend.

Most of them felt it was worth the money, despite problems with a faulty microphone and sound projection in the vast open-air theatre.

"Of course it was worth it, if only for the spectacle," said celebrated couturier Karl Lagerfeld, who flew from Paris on Concorde to see Domingo resplendent in his role as Radames opposite soprano Maria Chiara.

The Spanish tenor has performed *Aida* countless times through his career but Verdi's well-known opera has never before been staged in the place where it was set - the former Pharaonic capital of Egypt, Thebes.

Verdi was commissioned by the Khedive Ismail Pasha of Egypt to compose the libretto for the 1869 opening of the Suez Canal. A love story between an Egyptian soldier and an Ethiopian slave girl, *Aida* was not ready in time and premiered in Cairo in 1871.

Though many in the star-studded audience could not hear the opera too clearly, the performance was judged a success, if only for the spectacular staging by director Renzo Giaccheri.

The Temple of Luxor, flanked by sphinxes and colossal statues of Ramses II and his wife Nefertari, provided the perfect backdrop.

Luxor airport provided the contrast between the old and the new, cluttered with private executive jets and supersonic planes disgorging passengers wearing full evening dress.

Domingo said he was pleased with the production but the acoustics could have been better. "Verdi would be satisfied with the surroundings, but as for the music, he



A scene from the open-air production of Verdi's *Aida* in Luxor last Saturday night. (AFP)

would have liked to hear it better."

He said the setting for the production was unique. "We have been the pioneers - I'm very proud to be part of it."

Domingo and the production organizer, Egyptian-born Austrian businessman Fawzi Metwalli, said they would consider another production - possibly the opera *Samson and Delilah* - at the Luxor Temple.

Beatification row in Germany

BONN. - Pope John Paul's beatification of two Nazi victims including a Jewish-born converted nun Edith Stein and his praise for courageous clerics who fought Hitler's regime have re-kindled a painful debate in West Germany over the passivity of the Roman Catholic Church during the Nazi era.

The role of the church has been put into fresh focus by the papal tributes to Stein, who was murdered at Auschwitz, and Father Rupert Mayer, a Jesuit opponent of the Nazis.

"Pope defends church in Third Reich," the Bonn daily *General Anzeiger* said in a front-page headline during the pope's five-day visit to West Germany, which ended last night.

Vatican officials and historians dispute that reading of the pope's words and point to the church's enforced passivity under Nazi rule.

But Hans Kueng, a radical Catholic theologian, urged the bishops conference to "admit its guilt."

"No German bishop dared to speak publicly in defence of the Jews during all the years of Nazi rule," he said in a radio interview during the papal visit.

Jewish leaders criticized strongly the pope's beatification mass celebrated for Stein, who had been murdered in Auschwitz in 1942. They said that she had died because of her Jewish background and that the church had not done enough to prevent her death. (Beatification elevates Stein to the highest level below sainthood.)



A nun seeks a close-up view of the Pope during his German tour. (Reuter)

But at the ceremony in a Cologne football stadium attended by a crowd of 75,000 faithful, the pope was careful to avoid stirring further Jewish feelings about the controversial decision. He praised Stein who became a Carmelite nun in 1933, as "an outstanding daughter of Israel."

Stein was 51 when she was sent to the gas chambers along with her sister Rosa, who had not renounced her Judaism.

As a Jew and a Catholic nun, the pope went on, she had "demonstrated her solidarity with the Jewish people by sharing their suffering and

"Edith Stein embodied a dramatic synthesis of our century - the spirit of history full of deep wounds that still hurt and for the healing of which responsible men and women are still working together."

Thirty of her relatives who had travelled to the ceremony from the U.S., Latin America and Switzerland shook hands with the pope.

Stein's niece, Susanne Batzdorff, said the tribute could not make up for the passivity of the Catholic church during the Holocaust.

"My mother said a thousand times she would much rather have a live sister than a dead saint," said Batzdorff, of Santa Rosa, Ca. "I believe that she was a Jewish martyr."

Later in Munich, Pope John Paul also beatified German priest Mayer who had been jailed for publicly denouncing Hitler and said the evil personified by the Nazis was proof that the devil existed.

The pontiff has repeatedly linked Stein and Mayer, saying they represent the fearlessness of "the other Germany." Mayer, who lost a leg while serving as a German army chaplain in World War One, was freed by American soldiers in 1945, but died of a stroke few months later at the age of 69.

Among the main foci of the five-day visit was fierce denunciation of the Vatican by feminists. Graffiti etched into Catholic church walls urged that the Pope be "sent to the devil." (Reuter, AP)

IN BRIEF

• Daidia, the Egyptian-born French entertainer whose songs achieved worldwide fame in the 1950s and 1960s, was found dead at her Paris home on Sunday. The cause of the 54-year-old singer's death was not officially revealed, but police believe she committed suicide.

• Police used batons to break up independent marches marking Polish Constitution Day in Krakow, Lodz and Wroclaw. Opposition sources said nearly 200 demonstrators were detained.

• A bomb went off during prayers at a Pakistani mosque near the Afghan border yesterday, killing seven people and wounding nine.

• At least 16 soldiers were killed and several wounded when communist rebels ambushed a military convoy in the central Philippines.

• Guinea-Bissau brought in new monetary and fiscal policies with a 145 per cent devaluation of the peso.

Helen Suzman's last stand

By ORIELLE BERRY
Special to the Jerusalem Post
JOHANNESBURG. - She has survived five prime ministers, and suffered from election fever more times than she cares to remember. But this time, veteran South African opposition member of parliament Helen Suzman is preparing for "Helen's Last Stand."

Unforeseen political hiccups aside, she is sure that after decades in parliament, tomorrow's whites-only election will be her last before she retires to write her memoirs, including details of political luminaries over the decades, the changing face of South Africa and the soccer whistle she blows in the phone to bruise the cardrums of abusive callers.

Her 35 years in Parliament have included 13 as the lone opposition member where she soldiered on against one piece of apartheid legislation after another. Her supporters have regarded her as the voice of the voiceless, the voice of sanity in repressive explosive society.

Interviewed on the eve of the election, Suzman - 70 this year - was making last-minute campaign calls from the study of her gracious home in Johannesburg's plush northern suburbs.

Although this will be her last session in the tri-cameral parliament, Suzman is sure that the election, to be held amidst increasing tension and violence, will not be the last whites-only poll.

"Blacks are inclined to be too optimistic regarding the time-scale of liberation. Things are not moving that fast, one mustn't underestimate the strength of the settled white community here," she says.

"When that much-forecast change comes, there shall certainly be a transitional period and of course a lot of horse-trading between the different racial groups. And some form of consensus government will have to exist first," she added.



Helen Suzman

Many extra-parliamentary organizations, including the United Democratic Front (the largest legal anti-apartheid group) have declared the election irrelevant as it excludes over 70 per cent of the country's population.

Suzman agrees that "no-one could possibly describe the election on May 6 as democratic or even - since it will take place under the emergency regulations - as free and fair. Nevertheless, the election is not a sideshow. The results will determine the future course of South Africa."

She added, "Either this country will face a long drawn-out violent confrontation between the authorities and the mass of people, or South Africa will be set on the road to reconciliation and stability."

"But for the foreseeable future parliament remains the only fundamental vehicle for change. Only parliament can pass laws, and only parliament can repeal laws like the Group Areas Act."

"Thus the aim in this election is to form a powerful alliance of like-minded people in parliament to get rid of apartheid and thus create a climate for negotiation."

In a final bid to gain votes, the ruling Nationalist Party has been con-

ducting its campaign with advertisements in the press equating her PFP with the outlawed African National Congress and claiming that the PFP would not be averse to the re-establishment of the presently banned Communist Party in South Africa.

Suzman commented, "The Nationalist Party's tactics show how bankrupt the government really is and their inability to answer the real issues - inflation, the terrible unrest in the black townships and South Africa's face internationally. These are the real issues."

Suzman says of the government reforms that have taken place in the last year against increasing local and international pressure: "No one can say that the reforms so far have been meaningless but what is alarming is their lack of impact."

"Last year the pass laws were repealed - which gave 14 million people a mobility which for decades had been denied them. The event was brushed aside like a crumb."

"If that had happened five years earlier there would have been rejoicing in the townships."

On the subject of the close ties that have existed between Israel and South Africa before Israel imposed limited sanctions earlier this year, Suzman commented that for Israel "it was a question of survival."

"Of course I find the idea of a military connection between the two countries distasteful - but I can't blame Israel - she got what she couldn't get elsewhere." She adds, "I feel that it was only due to pressure that Israel had to impose sanctions this year."

Suzman feels that it has been the very relationship between Israel and South Africa that has resulted in many Jews supporting the ruling Nationalist Party.

"Although, thankfully, it is not a majority, there is a sizeable proportion of the Jewish community here who support the Nats."

"They are fervent Zionists and thus make the equation that because Israel is being good to South Africa they must support the ruling party. Of course they are choosing to brush aside the shady past of many Nationalist Party members who were Nazi sympathizers during the war," she notes.

"And of course the other factor remains that South African Jews are no different from many other white South Africans in having fears about black majority rule - hence their interest in maintaining the status quo."

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Mendelevich shocks U.S. Jews at Solidarity Sunday

'Don't send your leaders to Moscow'

By WALTER RUBY
NEW YORK. — Former Prisoner of Zion Yosef Mendelevich stepped up unannounced to the podium at the annual Solidarity Sunday demonstration and stunned an audience estimated at 200,000 by delivering a scathing denunciation of the recent visit to Moscow of two top American-Jewish leaders.

With Morris Abram, chairman of the Conference of Presidents of Major American Jewish Organizations sitting glumly in the first row of dignitaries on the platform behind him, Mendelevich elicited applause from many in the audience when he said of Abram and Edgar Bronfman, president of the World Jewish Congress: "I know you have your leaders. You elected them. You like them? Have them. But don't send them any more to Moscow. They don't know how to deal with the Russians."

Mendelevich demanded "real struggle" against the Soviet Union, which he said was "a fascist country." He called on guests at the meeting, such as New York Mayor Ed Koch, Sen. Daniel Patrick Moynihan and Assistant Secretary of State for Human Rights Richard Schifter, to "announce an embargo on the Soviet Union. No more trade with the Soviet Union until they release people. That is the struggle."

Mendelevich, who like several other prominent former refuseniks and many VIPs, was seated on the platform, had, according to reliable sources, been turned down by the sponsoring agency, the Coalition to Free Soviet Jews (CFSJ), when he asked to address the rally.

Other speakers included Nathan Sharansky, Koch, John Cardinal O'Connor, Senators Alfonse D'Amato and Moynihan, Assistant Secretary Schifter and Israel's ambassador to the United Nations, Benjamin Netanyahu. President

Reagan addressed the assemblage in a videotaped message.

When Sharansky finished speaking, Mendelevich stepped quickly to the podium and shouted: "My name is Yosef Mendelevich. No one invited me here to speak, but I will speak." Telling the audience that "something is wrong here," Mendelevich said that since the return of Abram and Bronfman from Moscow "there (have been) massive refusals (of Jews wishing to emigrate) on state security basis. Many Jews would like to apply (to emigrate) can't apply because of the new emigration code published by the Soviet Union."

Mendelevich's denunciation of Abram and Bronfman obscured the speech of Sharansky, who also appeared to level sharp criticism at the two Jewish leaders. According to Sharansky, "in the last months and weeks, some of us, by publicizing over-optimistic reports about the possible developments in the Soviet Union, involuntarily contributed to this feeling of false optimism. We heard in the last weeks calls of alarm from refuseniks from Moscow, who felt that these over-optimistic, exaggerated reports can contribute to (the efforts) of the Soviet leadership

to deceive us about the real situation in the Soviet Union."

"Refuseniks in Moscow are afraid that we are ready to accept the release of 12,000 Jews as the final victory...and that we are ready to trade the Jackson-Vanik amendment — the most powerful weapon in our arsenal," he said. (The amendment imposes trade restrictions on the Soviet Union until emigration curbs are eased.)

"The Soviet leaders can have the wrong impression. They can think our solidarity is broken and that we are no longer struggling for the hundreds of thousands and millions of our brothers in the Soviet Union," Sharansky said.

He appealed to the crowd to "correct this mis-impression (by giving) your leaders your opinion" and drew loud shouts of "No" when he asked rhetorically: "Shall we be satisfied with 700 visas in a month? Shall we be satisfied with 12,000 Jews leaving the Soviet Union?"

Abram later told *The Jerusalem Post* that Mendelevich "is entitled to his extreme opinions." Terming them "aberrational," Abram remarked: "I don't care what one man says. I am concerned about the organized effort worldwide and in the

U.S. especially. The organized effort stands behind the principles that I enunciated and Sharansky enunciated."

Sharansky told *The Post* that Mendelevich's remarks "were not in my style, and I did not know what he would say. But there are many things there with which I can agree, although maybe not with all accents. My point of view was more appropriately expressed in my own speech."

Jerry Goodman, executive director of the NCSJ, told *The Post* that many refuseniks in the Soviet Union do not agree with the approach of Mendelevich and Sharansky. "They've been out of the Soviet Union a long time. If you ask many younger people among the refuseniks today, as we do all the time, they will say, 'We respect Sharansky, we respect Mendelevich, but they do not speak for us.' They may speak for some, but they do not speak for refuseniks as a whole." Asked which young refuseniks he was referring to, Goodman replied: "It's not important. They are not to be identified."

Netanyahu struck a tough note, warning that there is a "great danger" that Israel and Western Jewry might accept the emigration of 10,000-30,000 Soviet Jews "instead of a mass opening of the gates."

Ambassador Schifter, who visited Moscow last month together with Secretary of State Shultz, spoke of "good news and bad news," noting that in the last two months the Soviets have allowed 1,200 Jews to emigrate, but predicting that after many of the refuseniks have been allowed to leave in the coming months, the Soviets intend "to cut down emigration for the hundreds of thousands who want to follow. There will be fewer refuseniks, but many scared-to-applink."

Refuseniks mark Independence Day with picnic

Some 300 Moscow refuseniks held a picnic on Sunday to mark Remembrance Day and Independence Day, the first such mass gathering in six years, according to Lev Sud, a Jewish activist who spoke to *The Jerusalem Post* by telephone.

The refusenik community marked Remembrance Day with the reciting of Kaddish in the Orvagi forest outside the capital. Another large group of activists gathered yesterday and on Sunday at the synagogue on Arkipova Street, long a meeting place for refuseniks.

Sud said that the refuseniks were very happy about the release yesterday of Prisoner of Zion Yuli Edelstein, whose sentence was cut short by four months. Edelstein is expected to arrive in Moscow on Thursday, accompanied by his wife, Tanya, who flew to Novosibirsk to meet her husband.

Deportation order for SS guard living in U.S.

By TOM TUGEND
Jerusalem Post Correspondent
LOS ANGELES. — Bruno Karl Blach, who allegedly brutalized prisoners at the Dachau and Wiener-Neudorf camps during World War II, has been ordered deported to West Germany by a federal immigration judge.

According to court records, the 66-year-old native of Czechoslovakia supervised slave laborers at the camps while a member of a SS Totenkopf (Death's Head) battalion from 1940 to 1945.

At the deportation hearing, Alexis Bialis, a survivor, identified Blach as the guard who machine-gunned an old man to death on a march between camps.

Blach, now a retired grocery clerk, has claimed that he was just a private forced to follow orders.

His lawyers say the verdict will be appealed.

Walter Ruby adds from New York: The U.S. Justice Department is expected to start proceedings within the next two weeks to strip U.S. citizenship from a Jew from Poland now living in Brooklyn, who allegedly persecuted other Jews at a Nazi slave-labor camp.

Jacob Tanenbaum, 75, of Brighton Beach, is said to have worked as a *kapo* in the Gerlitz labour camp. He is to be charged with concealing his wartime activities when he applied for U.S. citizenship.

Justice Department sources told the *New York Post* that Tanenbaum will be charged with physically abusing slave laborers by kicking, whipping and beating them. Sources told *The Post* that charges were first prepared against Tanenbaum in 1979, but "no one had the nerve then" to press the case.

Tanenbaum, who is an Orthodox Jew and has contributed money to the Nazi-hunting Simon Wiesenthal Centre in Los Angeles, told *The Post* that the charges against him are "full of lies."

An informed source told *The Post*: "Tanenbaum should have been punished long ago. He personally brutalized people and relished doing it. The evidence against him is absolutely overwhelming."

Man dies six months after traffic accident

A 61-year-old man who was hit by a car six months ago when he tried to cross the Atula-Nazareth road, died on Sunday at the Beit Levinstein rehabilitation hospital in Ra'anana.

Avner Alexander has been in hospital since the accident. The driver of the car that hit him will be arrested and charged with causing his death. (Itm)

Dutch Jews hail historical museum



By ILONA HENRY

AMSTERDAM. — The Jewish mayor of Amsterdam, Ed van Thijn (left), recited the *bracha* while fixing the mezuza on the door of the newly-opened Jewish Historical Museum in Amsterdam on Sunday, watched by Queen Beatrix and her husband Prince Claus (centre), as well as Austrian Chancellor Franz Vranitzky and his wife (right).

This ceremony took place at the new museum hall in Amsterdam. "M'chayel ha'metim," a symphony by Noam Sheriff based on an idea by Bernard Bronkhorst, was played by the Israeli Philharmonic Orchestra and Dutch and German choirs. The oratorio symbolized Jewish life and fate in the past, bridging it

optimistically, through Israel's existence, to the present time.

Prime Minister Lubbers hosted the Dutch queen and the Austrian chancellor at this historical event. Dutch Jews are hailing the museum as a symbol of revival and re-emerging spirit after the Holocaust, which cut their number from 104,000 to 30,000 today.

Dutch architects have transformed four 17th and 18th century synagogues in central Amsterdam's once thriving Jewish quarter into a beautiful and functional complex of housing in which the history of the Jews of the Netherlands since 1600 is being documented. The exhibition covers five elements: religion, Israel and Zionism, survival, personal his-

tory and the cultural influence of the environment.

The Dutch authorities funded 80 percent of the 30 million guilder cost, while the Austrian donation of \$200,000 caused a political controversy.

Chancellor Vranitzky, a former banker, had been asked by two Dutch friends three years ago to join in with the financing of this project. Vranitzky then not only donated a large sum from the bank he was general manager of, but also initiated fund-raising among his non-Jewish friends for the museum. The current controversy around the Waldheim case have now put him in an uneasy position.

'My husband's name made Hitler foam at the mouth'

By LEA LEVAVI

Jerusalem Post Reporter
TEL AVIV. — Jewish groups in the U.S. are eager to hear her speak, but Christian groups don't invite her. In fact, her first opportunity to speak at a church came from the Lutheran Church in Jerusalem.

"I think Christians in the U.S. and Germany are embarrassed by what I have to tell them," says Sybil Niemoeller, widow of Pastor Martin Niemoeller who was one of the most outspoken opponents of Nazism in Germany.

"He was Hitler's personal prisoner," she explained proudly during an interview here, on her first visit to Israel. "It is said that Hitler foamed at the mouth whenever Niemoeller's name was mentioned. Unfortunately, the commander of Sachsenhausen was told that the man was Hitler's personal prisoner but didn't get specific orders as to how to treat him — so he kept him in solitary confinement for three years until he was sent on to Dachau."

At that time, Sybil Niemoeller was a young girl. "I am one of those few fortunate people who don't have to be ashamed of my parents. We hid

Jews in our home as part of an underground which passed Jewish refugees from family to family.

"Two cousins of mine were involved in the final plot against Hitler's life and my father ended up in a concentration camp. My mother even managed to keep me out of the Hitler youth movement."

In 1934, Pastor Niemoeller founded the Confessing Church. Together with several hundred Lutheran pastors, he sent a letter to Hitler demanding that persecution of the Jews be stopped immediately.

Niemoeller was arrested, tried for treason and acquitted. But he was kidnapped by the Gestapo on the steps of the courthouse as he was making his way to freedom.

When he was liberated by the Americans at the end of the war, the pastor issued a declaration saying that the German people, whether they liked it or not, were guilty. He went further and included himself. "My alibi was good from 1937 to 1945 because I was incarcerated myself," he wrote, "but I have no alibi from 1933 to 1937. I could have done more and I will spend the rest of my life asking God's forgiveness."

That won him the respect of the world and the disrespect of his own compatriots, his widow said.

She, meanwhile, had grown up and decided to emigrate to the U.S. Ten years later, she met Pastor Niemoeller, then widowed, when he was on a speaking tour in the U.S. "I didn't want to go back to Germany but...I realized there was really no choice since he was already 68 years old and had three brothers in Germany."

He continued to talk about Germany's guilt but she was not actively involved until after his death. She was persuaded to do so by Elie Weisel.

At the moment, she is living in Wiesbaden, hoping to return to the U.S. Meanwhile, in addition to lecture tours and other activities, she is learning Hebrew at the Wiesbaden synagogue "to be able to read the Bible, among other things."

"My main message to the world is the same one as the Jews want to get across...never forget what happened...I'm concerned about getting to the teenagers who want and need to know what happened."

PLO flags in Mea Shearim, Galilee, Golan

A PLO flag was found waving from a rooftop in Jerusalem's ultra-Orthodox Mea Shearim neighbourhood early on the morning of Remembrance Day.

The flag was evidently put up on Saturday night. It was spotted by passersby early Sunday morning and

taken down by policemen.

In Acre, a PLO flag was hung from the al-Jazaar mosque before dawn yesterday, Independence Day. It was taken down later in the morning. Another PLO flag was hung from a telephone line in the Galilee village of Arraba yesterday morn-

ing, but was removed by municipal workers.

In the Druse village of Mas'ada in the Golan Heights, a Syrian flag was put up yesterday in front of the local Kupat Holim clinic.

Police are investigating all of the incidents. (Itm)

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Unequal Partners

Protectionist Mood Overshadows Reagan's Meeting With Nakasone

By R. W. APPLE Jr.

PRESIDENT REAGAN stood in the White House Rose Garden Friday and said he was optimistic about reducing economic tensions between Japan and the United States, but there were not many people in Washington who shared his characteristically rosy outlook.

Mr. Reagan praised his visitor, Prime Minister Yasuhiro Nakasone of Japan, for having pledged to lower interest rates to help stabilize the dollar. He said he hoped to be able, in a couple of weeks, to lift sanctions against \$300 million worth of Japanese products, as a result of better Japanese compliance with an antidumping agreement. And with a call for annual economic summit meetings between Japan and the United States, he warned yet again of the perils of protectionism.

To many of those who are infuriated by the record United States trade deficit and, in particular, the record gap of \$58.6 billion between Japanese goods imported into this country and American exports to Japan, the whole performance seemed far too pat. To them, it was another case of timid measures, sweeping pledges and broad smiles designed to obscure the failure to act on critical underlying problems.

In fact, Mr. Nakasone's announcement had been carefully coordinated with action by the American central bank, the Federal Reserve Board, to mudge American interest rates upward; major banks raised their prime lending rate to 8 percent. And there had been repeated low-level meetings on the sanctions issue. Even before Mr. Nakasone arrived in Washington, Senator John C. Danforth, the outspoken Missouri Republican, attacked the White House approach. "Nakasone will come," he said, "and he'll make all sorts of representations that a new leaf is about to be turned over. The President will embrace the prodigal; all will be forgiven, and nothing will happen. The time has come for action, not for more speeches or statements of good feeling."

The Japanese Prime Minister's plane landed in Washington shortly after the House of Representatives had given the most vivid demonstration so far of just how widely Senator Danforth's views are shared. Despite the threat of a Presidential veto, which turned into a promise

when Mr. Reagan met Mr. Nakasone, the House adopted by a 218-214 vote an amendment requiring direct retaliation against countries like Japan that have allegedly shut out American products and services.

It may well be that the amendment, sponsored by Representative Richard A. Gephardt of Missouri, will be eliminated later in a Senate-House conference committee. The vote was very tight, and it was noticeable that members from California, which has important trading ties with Pacific nations, and from farm communities, which fear retaliation against their exports, tended to vote against the Gephardt measure. Nonetheless, its success probably guarantees that the final trade bill will be tougher than it otherwise would have been. Recent surveys have shown that a large majority of Americans favor protectionist measures and would be willing to pay higher prices to keep foreign goods out and thus save American manufacturing jobs.

That puts Mr. Reagan in a bind. He is anxious to avoid a trade war with Japan, both because he believes in free trade and because of Japan's strategic importance, but he is being pushed in the opposite direction by domestic political currents. They can only get stronger as the 1988 Presidential campaign gets more and more active.

Mr. Gephardt, for one, is using trade as a principal weapon in his own campaign for the Democratic nomination, which centers on scoring an upset in the Iowa caucuses in February. He denies that his bill constitutes protectionism, arguing that only a credible threat will force the Japanese to open their markets and thus allow truly free trade between the two nations. His stance will put pressure on other candidates, especially fellow Democrats, to "talk tough" on the issue. Trade is the perfect

issue for the party this time, several Democratic leaders have said recently, because it helps them to combat the damaging notion, widespread since the 1970's, that they always take the "soft" line in foreign policy.

Even the interest-rate agreement, which succeeded last week in at least temporarily slowing the decline of the dollar against the yen and most other foreign currencies, and in calming the turmoil in the stock and bond markets, may be merely a short-term palliative. Interna-

tional economists believe, for the most part, that the dollar will remain vulnerable until Mr. Reagan acts to pare the huge American budget deficit and Mr. Nakasone stops relying on exports as virtually the sole means of promoting growth in the Japanese domestic economy.

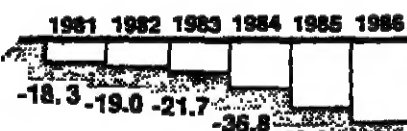
The Japanese Prime Minister has relatively little room to maneuver, with his popularity already at a 4½-year low. Mr. Reagan seemingly remains as loath as ever to contemplate the prospect of a tax increase, which the Democrats on Capitol Hill consider an essential element of any concerted assault on the budget deficit, along with spending cuts.

Another attempt to solve these problems, for which solutions were promised following big international meetings in New York in 1985, in Tokyo in 1986 and in Paris in February, will be made at the summit conference of the seven leading industrial powers in Venice in June. Treasury Secretary James A. Baker 3d, whose star has been in eclipse in Washington in recent months, hopes to further the plan that he announced in Tokyo last year for an international forum for decision making.

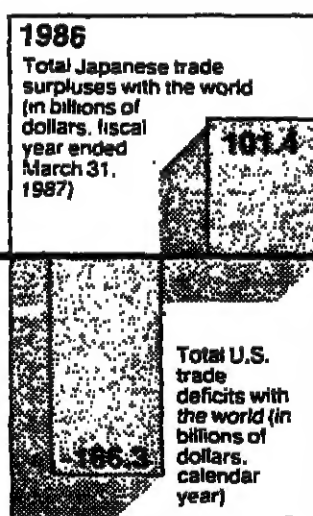
But like all such schemes, it faces the immense obstacle of conflicting national interests — the very source of so much of the turbulence that has pushed international economic relations, once the dusty domain of academic specialists, to the center of world attention. Brave is the man or woman who would predict a breakthrough in June.

Out of balance

Annual U.S. trade deficit with Japan (in billions of dollars).



Sources: Department of Commerce; Japanese Finance Ministry



Fewer Jobs, Higher Prices

The Risks of an Unchecked Trade Deficit

WASHINGTON Why should the average American care about the record trade deficits? Because, many economists say, they may lead to lost jobs, fewer products at higher prices and general austerity. The recession in the farm belt, which was deepened by contracting overseas markets for American food, may spread across the economy if the imbalances are not redressed. Steelworkers in Pittsburgh have also been squeezed as lower-priced foreign steel replaced their products and many of them were pushed into lower-paying service jobs.

Because of recent American restrictions, consumers may soon be charged more for Japanese color television sets, calculators, power drills and small computers, as well as for housing made of Canadian cedar shingles.

Americans have not earned enough from the sale of their goods overseas to cover the cost of imports since the early 1980's. They already owe foreign creditors a

sum nearly as big as the combined debts of Brazil and Mexico. Somewhat similar imbalances have caused wrenching dislocations in third world countries, which have had to accept reduced living standards to try to pay their way. Economists say this could happen in the United States, which, so far, has been covering its deficits with loans from Japanese and other creditors who buy Treasury securities. If the creditors demand higher interest rates, business activity could be slowed, adding to unemployment and also damaging the world economy.

American officials say trade surpluses are essential, but other countries are loath to help make them possible. Japanese officials, for example, say Tokyo will never accept trade deficits. Congress seems intent on punishing countries that are perceived as violating fair trade rules. But these countries may then buy fewer American goods in a reprise of the pattern that helped bring on the 1930's Depression.

CLYDE H. FARNSWORTH

Criminal Laws Were Definitely Broken

Iran-Contra Inquiry Nets Its First Offender

By PHILIP SHENON

EVEN as Congress made final preparations for the opening this week of its public hearings on the Iran-contra scandals, a central question was resolved. There is no longer any doubt that Federal criminal laws were broken.

Cari R. Channell, a prominent conservative fund-raiser, pleaded guilty in Federal court here Wednesday to charges of conspiring to defraud the Government. He named Lieut. Col. Oliver L. North, the former White House aide who oversaw the contra supply network, as a co-conspirator.

The largest of Mr. Channell's nine organizations, the National Endowment for the Preservation of Liberty, collected more than \$2 million from donors who were told they could deduct their contributions as being for tax-exempt educational purposes. The group paid for television commercials supporting the Reagan Central American policies; it promoted humanitarian aid to the Nicaraguan rebels. Much of the donors' money, however, was actually intended for a entirely non-deductible cause: the purchase of guns and ammunition for the contras.

Charges against Colonel North and others are now more likely; Mr. Channell and some of his associates agreed to cooperate with the special prosecutor, Lawrence E. Walsh.



Cari R. Channell, after pleading guilty in fraud conspiracy in contra arms case.

It was a moment of history: the first conviction under the 1978 special prosecutor law and the first criminal charges brought as a result of the Iran-contra inquiries that began in December 1986. Mr. Channell's guilty plea

came as it was announced that Richard V. Secord, a retired Air Force major general involved in a secret network aiding the contras and a key figure in the sale of arms to Iran, would testify without immunity. Investigators said the Iran-contra affair was unraveling quickly, and that the final mysteries might be resolved within weeks, not months.

As expected, Mr. Walsh and his ambitious 75-member staff have focused on a broadly worded section of the United States Criminal Code involving conspiracy that was used frequently during the Watergate prosecutions. The law makes it a felony not only to conspire to commit crimes such as theft or perjury, but also to join together to subvert the Government or misuse authority.

"It seems to be to be a suitable statute for this situation," said Philip A. Lacovara, a Watergate special prosecutor. "The most likely approach would be to allege a conspiracy to defraud the United States of the proper performance of Government functions."

Legal specialists say Mr. Walsh's actions suggest that he believes that he has uncovered a conspiracy by Administration officials and others to undermine Congressional restrictions on contra aid and arms sales to foreign countries, including Iran.

The so-called Boland Amendment prohibited direct or indirect military aid from the United States Government to the contras for two years, to October 1986; a conspiracy designed to circumvent the amendment could

be punishable by up to five years in prison.

President Reagan met with Mr. Channell and a number of his contributors, but the White House said its records show Mr. Reagan was not aware of Mr. Channell's criminal activities. "In the legal view of the White House, the President is not part of this conspiracy," said his spokesman, Marlin Fitzwater. Privately, officials had been saying they were worried. Their concerns heightened when Senator Daniel K. Inouye, Democrat of Hawaii and chairman of the Senate investigating panel, said about Mr. Reagan "that in raising funds from private sources for the contras, he was not just a peripheral player and was involved very deeply."

Meanwhile, the inquiry kept drawing closer to the White House. Newly revealed documents showed that after he left the White House in 1985, David C. Fischer, a Presidential assistant who had worked in a small office next to the Oval Office, received \$20,000 a month in consulting fees from Mr. Channell and helped arrange meetings with Mr. Reagan and other top officials. He kept his White House pass until November 1986.

Last week, Mr. Walsh released a report to Congress warning that "high Government officials" remained under scrutiny and that his inquiry was "progressing and accelerating." Mr. Walsh did not specify whether he was referring to current or former officials, but sources with knowledge of the investigation said he was referring to both.

The House and Senate hearings, which will be extensively televised, will begin Tuesday, with testimony from General Secord, who until now has refused to talk publicly. He will be followed by Robert C. McFarlane, the former national security adviser.

General Secord's former business partner, Albert Hakim, has already provided Congressional investigators with extensive documentation on the mechanics of the diversion of money to the contras. "These are two men who know a lot about the contras, a lot about the arms sales and everything about the money," said a senior law-enforcement official. "It's exciting to think that by the time Secord leaves the witness chair, we may have many of the big questions answered."

In South Africa

Apartheid foes scoring gains in the courts

3

The World

Proposal for Talks On Middle East Advanced Anew

Serious talk about a new Middle East peace conference accelerated last week. It began in Israel, where the coalition Likud-Labor Government seemed to have two competing policies on the issue. In Washington, Reagan Administration officials reported some progress toward such a conference but cautioned that many obstacles remained.

In Israel, Prime Minister Yitzhak Shamir opposes a conference, while Foreign Minister Shimon Peres favors one. Mr. Peres, of the Labor Party, was reported to be considering pushing the issue to a Cabinet vote, which would possibly break up the 31-month-old coalition Government with Mr. Shamir's Likud group and force national elections.

After years of American rejection of the peace conference idea, which has long been a major Soviet objective in the Middle East, Secretary of State George P. Shultz has given it a qualified endorsement. The conference, most recently proposed by Jordan, would be convened by the United Nations. The United States and the Soviet Union would participate, along with Israel, Jordan, the United States, and possibly Syria, Lebanon, Egypt and other Arab countries. France, Britain and China, as permanent members of the United Nations Security Council, would also attend.

But Israel has rejected participation by Moscow or Peking until they establish diplomatic relations. Israel and Washington are wary of giving Moscow veto power over a settlement. Also, the Soviet Union has insisted that the P.L.O. be invited, while Israel and the United States reject direct talks with the Palestine Liberation Organization until it recognizes Israel's right to exist.

American Killed In Contra Attack

Thousands of foreign volunteers have gone to Nicaragua, trying to help the Sandinista Government improve living conditions. They include an estimated 1,500 to 2,000 Americans in the country at any given time. For, while the Reagan Administration supports the insurgents who want to overthrow the Sandinistas, the United States also recognizes the Sandinista Government and has diplomatic relations with it. Last week, one of the Americans, Benjamin Ernest Linder, a 27-year-old engineer from Portland, Ore., was killed in an attack by United States-supported anti-Government guerrillas in an ambush in a remote north-



President Daniel Ortega Saavedra embracing David Linder, whose son, Benjamin, an American volunteer, was killed in a contra ambush in Nicaragua.

east part of the country. It was unclear whether Mr. Linder and his co-workers had been armed.

Mr. Linder was apparently the first American civilian to be killed in the fighting between Sandinista forces and the guerrillas, known as contras. A spokeswoman for the contras said in Miami that they had warned that any armed group in Nicaragua was a potential target. Another contra statement said the American was killed in a firefight in a civil war zone between contras and Government militiamen. Mr. Linder and his co-workers, two of whom were also killed, had been working on a Government project near the town of El Cuá, where he had earlier supervised the construction of a hydroelectric project. He was the 10th foreign-born citizen to die in the civil war, according to the Government. Mr. Linder's father, David, said,

"There's a lot about Ben I don't know. I suspect he wanted to make a meaning to his life."

Return From the Dustbin of History

I appeal to you, a future generation of Party leaders, whose historical mission will include the obligation to take apart the monstrous cloud of crimes that is growing ever more huge in these frightful times. . . . Nikolai Bukharin, a few days before his arrest in 1937

Will Mikhail S. Gorbachev give Leon Trotsky, Bukharin and other Bolshevik revolutionaries their rightful place in the history of the Soviet Union? This has been a subject of speculation since February, when the Soviet leader vowed that "there must be no forgotten names, no blank spaces, either in history or in literature."

Although Trotsky and Bukharin were leaders of the 1917 Revolution and the early Communist state, they were purged and murdered at Stalin's behest and their names disappeared from Soviet history books, except as synonyms for heresy.

Now an extraordinary reversal may be taking place. The two leaders are characters in a 1962 play that was published for the first time last month. "The Peace Treaty of Brest-Litovsk" portrays Trotsky and Bukharin as devoted associates of Lenin, though misguided by excessive zeal. The author, Mikhail Shatrov, said last week that his play, about a humiliating peace offered by the Germans in World War I, will open at a Moscow theater in November on the 70th anniversary of the Revolution.

U.S. Rebukes an Arms Control Aide

As the United States and the Soviet Union seemed to be moving cautiously toward agreement to remove medium-range missiles from Europe, there was more contentious talk about arms control last week.

Much of the discussion was about how to deal with shorter-range (300 to 600 miles) missiles. The Soviet Union wants these eliminated, too. Immediately upon agreement on medium-range missiles (1,000 to 3,000 miles), possibly in a parallel agreement. Washington and its allies are reluctant to eliminate shorter-range missiles, which could leave the Soviet Union with superiority in conventional forces and battlefield nuclear weapons in Europe.

In Washington, the Reagan Administration rebuked a senior arms control adviser, Edward L. Rowley, for criticizing its policies. Mr. Rowley had suggested that in addition to working out a medium-range arms deal, the Administration should be concentrating on conventional forces, regional issues and human rights, a linkage also favored by former President Richard M. Nixon and Henry A. Kissinger.

In Luxembourg, a meeting of Western European foreign and defense ministers expressed "serious concern" at Soviet superiority in short-range missiles, but failed to take a common position on the Soviet proposal to eliminate them. In Geneva, the Soviet Union said that any agreement on shorter-range missiles should include the elimination of the United States-controlled nuclear warheads for West German missiles. Washington wants to exclude these warheads from the agreement, along with the nuclear weapons of France and Britain.

In Brief

Italy Calls Elections

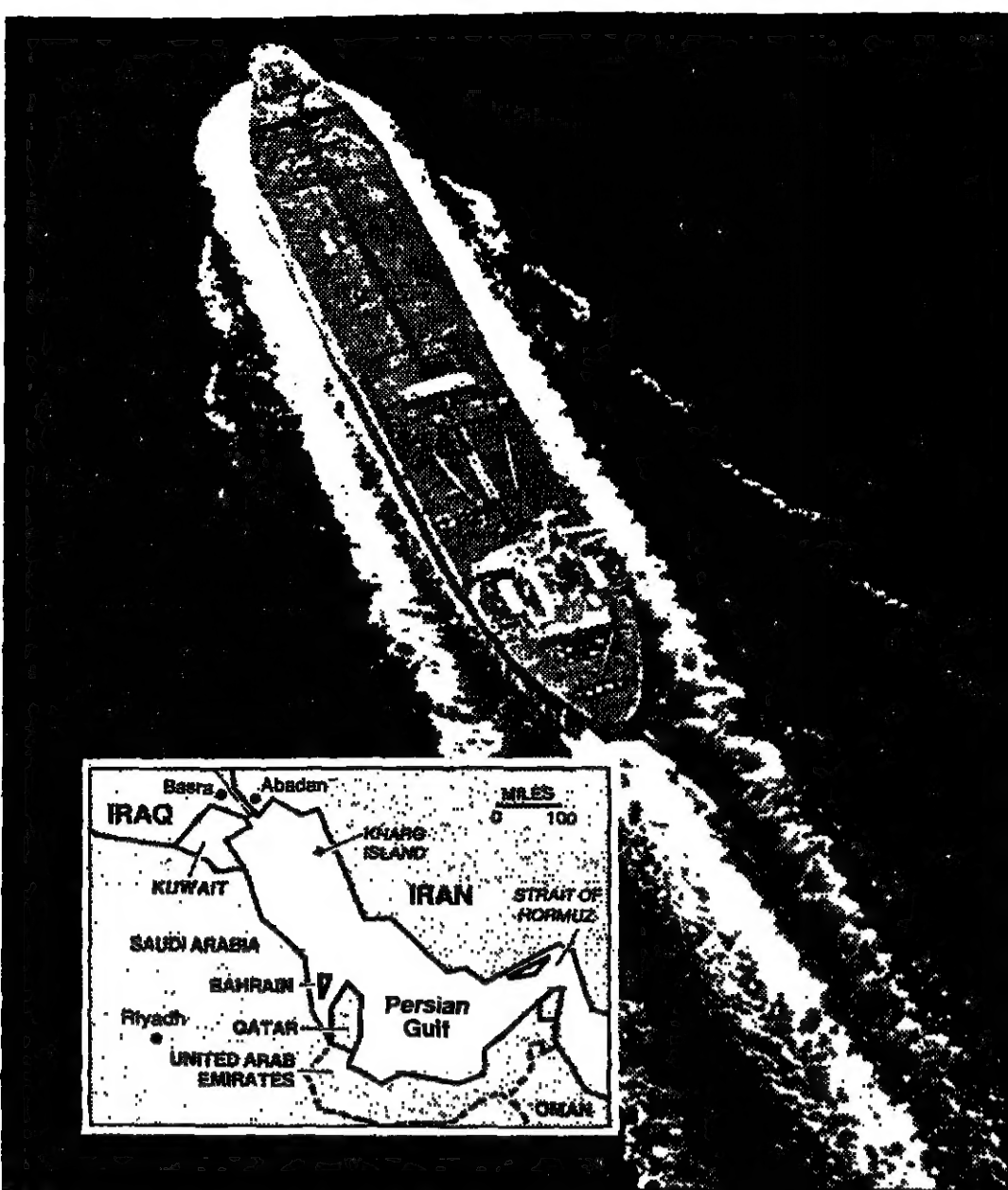
Amintore Fanfani lost a confidence vote and was forced out last week, after only 10 days as Prime Minister of Italy. President Francesco Cossiga ordered elections for June 14. Bettino Craxi, the Socialist leader and a former Prime Minister, wanted to keep the weak Fanfani Government in office. But Mr. Fanfani's Christian Democrats were eager for elections in which they hope to gain strength at the expense of Mr. Craxi's party.

Accord in Canada

Prime Minister Brian Mulroney announced that Quebec had finally agreed to sign the Canadian Constitution last week, after holding out for 20 years. Under a widely applauded agreement with Mr. Mulroney and the premiers of the nine other provinces, French-speaking Quebec will be recognized as a "distinct society." All the provinces will get more of a say on immigration policy and Supreme Court appointments. The accord must be ratified at a formal conference, then by the Parliament and 10 provincial legislatures. Approval is expected.

James F. Clarity,
Milt Freudenberg
and Katherine Roberts

Warships Protect and, Some Say, Provoke



Oil tanker passing through the Strait of Hormuz.

Superpowers Maneuver At Sea Off Iran Coast

By RICHARD HALLORAN

SINCE early this year, a Soviet frigate has been steaming outside the Strait of Hormuz at the entrance to the Persian Gulf. Whenever a Soviet merchant ship heaves over the horizon, the frigate falls in alongside to escort the vessel to Kuwait at the head of the Gulf. There, Soviet arms are unloaded and transported to Iraq to help fight its seven-year-old war with Iran.

The United States, with more American and allied shipping to protect, has a larger presence in that inland sea. Today, six warships, including

the guided missile destroyer Conyngham and the frigate Stark, monitor the movements of tankers and merchant ships. In some cases, the warships steam within sight of the commercial ships; others they watch on radar or keep in radio contact. Curiously, both superpowers have warships in the Gulf for the same reason: to meet the threat from Iranian planes that have bombed or fired missiles at ships plying the Gulf and from Iranian missiles newly emplaced ashore where they could dominate the strait. The Iranian threat, say Western specialists, is meant to put pressure on Iraq to quit the war through Iraq's allies, Kuwait and Saudi Arabia, and through the European oil-consuming nations and Japan.

Yesterday, the official Iranian news agency

said Iranian marines had intercepted and boarded 14 foreign ships and oil tankers Friday, searching for Iraq-bound goods. Nothing "suspicious" was found and the 14 ships were allowed to proceed. Iran says it has searched 1,200 ships in the last 18 months and seized the cargoes of 30 of the vessels.

In an attempt to keep tempers cool, the United States has warned Iran against shooting at ships guarded by American warships. "But Iran thinks the United States is a paper tiger," said Daniel Pipes of the Foreign Policy Research Institute in Philadelphia. "I think they're wrong. If they fire, the United States will respond."

The Reagan Administration has been put in something of a dilemma by the Soviet naval presence in the Gulf. On one hand, officials have made clear they are not keen about a further Soviet incursion into an area of vital Western interest. On the other hand, Secretary of Defense Caspar W. Weinberger has said repeatedly that it would not be good for the United States if Iran defeated Iraq. That may explain the muted response in Washington to a Soviet proposal that would expand its presence in the Gulf by leasing three tankers to Kuwait — and providing escorts if, as a Soviet spokesman said in Moscow, "the Soviet side thinks it necessary." A State Department official said: "We certainly don't look forward to an increased Soviet presence in the Gulf." But, he added, "There isn't much under the current situation that we can do about it."

At sea, however, the United States has quietly added muscle. The Navy usually has three or four ships in the Gulf; the six now on duty there are the most in many years. Outside the Gulf, the aircraft carrier Kitty Hawk, the nuclear-powered cruiser California, several other warships and three support ships with ammunition, oil and supplies stand watch. Mr. Weinberger, moreover, recently directed the Navy to keep a carrier in the Arabian Sea full time, compared with the previous half time duty. The carrier Constellation has sailed from San Diego to take Kitty Hawk's place in mid-May.

In a new wrinkle, the Navy may deploy the battleship New Jersey to the Arabian Sea. In an evaluation just completed, the Navy has decided that a battleship accompanied by a cruiser equipped with the Aegis antiaircraft system of sensors, computers and missiles could operate without air cover provided by a carrier. New Jersey is armed with land-attack cruise missiles, which are flying torpedoes that can hit targets from 1,500 miles at sea without the risks that aircraft took in bombing raids over Lebanon and Libya. Britain, once the dominant power east of Suez, still has a destroyer in the Indian Ocean that has practiced convoys with American ships. The French have five smaller frigates based at La Réunion in the Indian Ocean but have, in the best Gaullist tradition, kept their distance from the Americans in the region.

By contrast, the Soviet Navy has reduced its naval presence in the Arabian Sea. The Pentagon, in its annual review, "Soviet Military Power," said the Soviet Navy usually has about 20 warships there. Last week, Pentagon officials said only three Soviet warships and 10 auxiliaries were in sight. Said a Navy officer: "We grossly outnumber them at the moment."

Thus, they expressed little concern over a conflict with the Soviet Union. The same could not be said for a clash with Iran, when President Reagan might divert attention from the festering Iran-contra scandal by appearing tough with Teheran. "You want Iran to make the first move, to provoke a fight," said Thomas L. McNaughton, a specialist in the Persian Gulf at the Brookings Institution here. "It makes eminent sense for Reagan to pick a fight."

A Voice From Geneva

'A Legacy of Mistrust of Foreigners'

By ANDRE NAEF

AFTER a lively campaign, the Swiss voted overwhelmingly in a nationwide referendum last month for Government proposals that will restrict the entry of people seeking asylum here.

Under the new law, the authorities can turn away immigrants seeking asylum whenever there is an "extraordinary influx," thus expanding powers formerly available only in wartime or periods of crisis. Applicants who do not pass the tightened standards now can be interned for 30 days to keep them from trying to stay on.

Does this mean Switzerland is closing its doors to refugees, especially from the third world? The Government says no. Others are not so sure.

Numerically, the vote was decisive. In most of Switzerland's 26 cantons, or states, the new law was approved by two-thirds majorities. A growing tendency toward isolationism obviously motivated many voters.

Switzerland enjoys one of the world's highest per capita incomes and has not been to war for 140 years. But memories of a time when, as a very poor country, she had to fend off rapacious and powerful neighbors are embedded in the national subconsciousness.

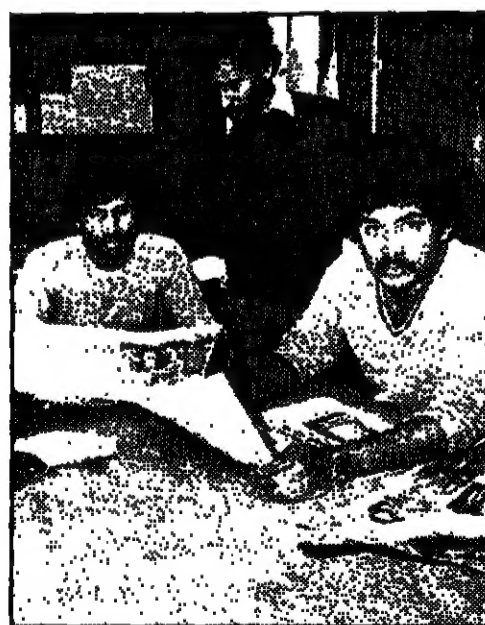
There remains a legacy of insecurity and mistrust of foreigners that can grow into outright rejection when, as is now the case, nearly 90 percent of the applicants for asylum are nonwhites from the third world. The list of applicants last year was headed by 4,066 Turks, 951 Iranians, 834 Africans and 667 Sri Lankans.

But can one really conclude that 67 percent of the voters obeyed exclusively racist and xenophobic instincts, exhibiting what the Swiss novelist Max Frisch recently called a "troglodyte" mentality?

Switzerland, after all, is far from being the only European country erecting barriers. Many others have either taken or are about to take similar steps.

Denmark, for example, has begun deporting would-be refugees, and Belgium recently imposed strict administrative measures to stem the influx from the third world.

About 150,000 people a year are flowing into



Tamil refugees seeking asylum in Bern.

Western Europe; Switzerland, which has a population of only 6.5 million, is arguably among the most seriously affected. It received nearly 9,000 applications for asylum last year, up from 1,000 a decade ago. This year, 1,000 a month have been arriving. More than 20,500 applications are pending.

There are a number of reasons for this. As West Europe's most prosperous country, with only 1 percent unemployment, Switzerland exerts a powerful economic lure. It had also welcomed more than 20,000 Hungarians and Czechoslovaks after the upheavals in those countries in 1956 and 1968 under a liberal asylum law aimed partly at healing scars left from the Nazi era, when some Jews seeking asylum were sent back to Germany.

Switzerland's postwar reputation among many outsiders as a land of asylum began to change several years ago, at about the time the refugees began arriving from the third world rather than Eastern Europe.

The change was exploited by far-right political parties, which accuse them, and more than 800,000 other foreigners who are not refugees, of stealing jobs and housing from the Swiss. The far-right party, Vigilance, which campaigned on an antiforeigner, antirefugee platform, became the largest party in Gene-

va's parliament 18 months ago, while a far-right, nationalist party, Action Nationale, was scoring startling write-in victories in Lausanne.

While studiously avoiding the xenophobic arguments, the Government campaigned for its restrictive immigration proposals by arguing that most refugees were seeking asylum for economic rather than true political reasons.

The authorities contended that careful control of immigration was the only way to maintain the "integrity" of Switzerland as a place of asylum for those who really need it.

Monitoring Implementation

The Government, and notably the Justice Minister, Elisabeth Kopp, has offered no apologies for its stand. Her main adviser on refugees, Peter Arbenz, was recently quoted as saying, "I don't lose any sleep over this problem."

Mrs. Kopp, the first woman member of the governing Federal Council, has become a strong advocate of the restrictions, which, she says, are the democratically expressed will of the electorate.

What, then, is the future for asylum in Switzerland? Much depends on how the law is executed by the Federal Council through its members who head Government ministries, and how the new, more restrictive provisions are implemented at border crossings and cantonal refugee offices.

Moreover, opponents of the new law are a highly motivated minority, not ready to concede defeat.

Leftist militants, activist Christians and Social Democratic Party members launched the referendum to test Mrs. Kopp's policies and generate nationwide debate. They lost and remain the minority. But they are committed to following up on assurances given by its supporters that the new law does not have racist or xenophobic undertones.

They intend to monitor the Government's pledges that it will apply the measures with discernment and humanity. The law's critics also include citizens of the Swiss sanctuary movement, who risk prison terms by hiding people threatened with expulsion.

Thus, there is at least a glimmer of hope for refugees in Switzerland. And there is also hope for all those who, like this writer, and despite the foregone conclusion, voted no in the referendum in an effort to preserve Switzerland's tradition of asylum and its self-respect as well.

André Naef is the foreign editor of the Tribune de Genève, the Swiss newspaper published in Geneva.

Judges Show Growing Willingness to Rule Against the Government



Riot police (above) firing tear gas at students holding demonstration at University of Witwatersrand in Johannesburg last week; striking transport workers meeting inside Cosatu House, the union offices that were stormed by the police.

Magnum/Gideon Mendel (transport workers); Reuters

Court Actions Are Blunting Botha's Tools of Repression

By JOHN D. BATTERSBY

JOHANNESBURG

THE South African courts provided the cutting edge last week for renewed anti-apartheid resistance, overshadowing the final campaigning for the election of the controlling white branch of Parliament this Wednesday. The state has responded with tear gas and bullets to a strong challenge by black labor unions. But the anti-apartheid groups were scoring victories in the courts, which have shown a growing willingness to rule against the Government in recent years.

Important aspects of the Government's emergency decrees on censorship and restricting criticism of apartheid were overturned in the Natal Province branch of the Supreme Court, which has repeatedly ruled against the Government since the early 1980's. The independence of the courts is guaranteed in the nation's Constitution, but judges are appointed from a group of senior Supreme Court lawyers. All but one are white and most belong to the Afrikaans-speaking ruling elite. However, as was clear last week, not all accept the Government's legal arguments.

Experts such as Prof. John Dugard of the University of Witwatersrand attribute the changing mood among some judges to increasing concerns about a growing lack of confidence in the courts, particularly among blacks, and criticism from the International Commission of Jurists, which said the judiciary was helping to legitimize the system. "During the 1960's and 1970's lawyers wanting to challenge the system all but gave up because the courts did not rule against the executive," Professor Dugard said. "Today there are more lawyers concerned with human rights and they have become more imaginative as a result of the change in mood amongst some judges."

Because of the Natal court ruling, photographs and reports of actions by the security forces returned to the front pages of newspapers and world television

screens and the national campaign of defiance threatened to reduce to a sideshow the election of the dominant white chamber of the segregated tricameral Parliament. The chambers for Indians and mixed-race people have only limited powers; the country's black majority is excluded altogether.

Although the Government is assured of an overwhelming victory Wednesday, and apparently is safe from any direct military or internal security challenge, its credibility and legitimacy seem increasingly vulnerable, some analysts said. Lawyers said court rulings had eroded the legal basis of harsh Government rule to the point where laws underpinning the state of emergency could no longer cope with the climate of resistance.

"Mr. Botha's options have been considerably narrowed again," said an attorney for press and broadcasting interests. He added, "Unless the Appeal Court lets him off the hook, he has two options: suspend the courts and resort to martial law, or enter into negotiations with authentic black leaders."

In other court actions last week, the Natal Supreme Court overturned a controversial decree that had empowered the Police Commissioner, Gen. Johan Coetzee, to outlaw organized campaigning for the release of 4,500 people detained under the emergency.

The campaign of defiance was expected to increase Tuesday and Wednesday, when anti-apartheid groups have called for "peaceful protest" against the election and against the repression of black workers. It is illegal under emergency regulations to call for a work boycott, but the police said they had made "contingency plans" for such an action.

The surge of black defiance is being coordinated by the 600,000-member Congress of South African Trade Unions, or Cosatu, which is closely aligned with the United Democratic Front, a broad anti-apartheid coalition. "We cannot allow whites to go to the polls, pretending that nothing is wrong in the country," a front spokesman said. At Cosatu House, the union headquarters, where the police recently stormed in

and wrecked offices, the courts were also playing an important role. Responding to union motions in Rand Supreme Court, the authorities agreed to make no further assaults on Cosatu House. When it was raided again last week, witnesses said, the police produced a search warrant and negotiated with union officials and lawyers before systematically searching 400 workers. Black informers, their identities shielded by hoods, identified 11 suspects in the gruesome burning to death of five blacks who, the police said, were transport workers suspected of being strike-breakers. The unions have condemned the killings and denied any responsibility for them.

A federation affiliate, the South African Railway and Harbour Workers Union, also filed court papers in Johannesburg preparing a challenge to the legality of the dismissal April 22 of 16,000 black transport workers after a six-week dispute that disrupted bus and rail lines.

For its part, the state-run transport board also went to court. In Rand Supreme Court, it accused the unions of "intimidating, assaulting or murdering" workers and extracted a union promise to refrain from intimidation and assault.

The mood of black defiance was reflected at the sentencing of nine black members of the African National Congress, also in the Natal Supreme Court last week. The defendants, who were sentenced to jail terms of 10 years or more, jumped onto their benches, faced the public gallery and exchanged clenched-fist salutes while chanting liberation slogans and saluting jailed and exiled leaders of the African National Congress such as Nelson Mandela, its founder.

Opposition white politicians said efforts by the United Democratic Front to diminish the white election were beginning to have an effect, particularly among young whites such as the anti-Government activists who clashed with the police last week on

the campuses of English-speaking universities. Looking ahead to the virtually certain outcome of Wednesday's election, a Western diplomat said wryly, "The reason the National Party will score another overwhelming victory is that it reflects all the confusion and ambivalence of the white electorate."



Morris Fynn, a local community leader in Durban, cutting down signs that read: 'Durban City — Bathing Area for Colored Community.'

Austrian Is First Head of State Barred by Washington

Few Welcome Mats Out For Waldheim in Europe

By JAMES M. MARKHAM

BONN

THERE are too many living ghosts of the Nazi past around for any European nation to feel that the case of Kurt Waldheim is simply an isolated Austrian matter. This month France warily confronts the trial of Klaus Barbie, the erstwhile Gestapo chief in Lyons; his lawyer has vowed to expose alleged betrayals by the French resistance and even of the French Jewish community during World War II. And the ailing Rudolf Hess, once Hitler's deputy, just passed his 93d birthday in Berlin's Spandau prison with the Soviet officials turning a deaf ear to West German pleas that he be freed.

The Reagan Administration's decision to place President Waldheim on its "watch list" of 40,000 ex-Nazis, Communists, common criminals and people with contagious diseases met with a studied official silence in European capitals last week — except, of course, in rolled Vienna. Washington's action made Mr. Waldheim the first head of state to be placed on a list of people to be excluded from the United States. European Governments have a tendency to separate moral imperatives from interests of state, and they are made uncomfortable by the American penchant for seizing the moral high ground — from which it is so easy to slip. Should Stalin have been banned from America in an earlier time, or Chile's Augusto Pinochet or Paraguay's Alfredo Stroessner today? Where does one draw the line at evil?

Even so, well before the Justice Department's dramatic decision to exclude Mr. Waldheim from American territory because it found apparent evi-

dence of his involvement in Nazi war crimes, a number of European states had quietly indicated their own aversion to the man. Monarchs took the lead. Queen Beatrix of the Netherlands — whose nation suffered at the hands of a number of prominent Austrian Nazis in the war — disinvited President Waldheim from the opening of an extensive network of dikes on the Dutch coast; an invitation had been offered to his predecessor.

A Canceled Vacation

The Dutch Queen has also stopped taking her annual winter ski vacation at the Austrian resort of Lech for the duration of President Waldheim's six-year mandate. In Amsterdam, there have been protests over an invitation extended to the Austrian Chancellor, Franz Vranitzky, to attend the inauguration of a Jewish museum there today. Last autumn, King Baudouin of Belgium said he would not open an Austrian cultural festival in Brussels if President Waldheim came; the former United Nations chief stayed away. And France decided not to send André Lewin, who was a Waldheim aide at the United Nations, as Ambassador to Vienna, as he seems too close to the Austrian President. Ironically, Mr. Lewin is Jewish.

Mr. Waldheim told a Belgian newspaper a week ago that he had been invited to make visits to several European countries, but did not want to name them for fear of jeopardizing the sojourns. Press leaks in Vienna have already sabotaged tentative attempts to get invitations from Ireland and Japan. Yet the Justice Department's verdict will make it even more difficult for any West European nation to consider having the Austrian President as a guest. The Prime Minister of Canada, Brian Mulroney, said Mr. Waldheim would be un-

welcome, but not officially barred. Mr. Waldheim is likely to remain the most ostracized head of state in Europe, and may have to settle for visits to places like Jordan and Egypt, which have invited him. Quasi-pariah status will be painful for Mr. Waldheim, who in his United Nations days enjoyed traveling and whose triumphant campaign song a year ago was "New York, New York."

West European editorial commentary was broadly supportive of the American decision to bar Mr. Waldheim; his unrepentant insistence that he saw or did no wrong during the savage Balkan campaign was frequently said to have aggravated his own isolation. "The American decision," observed the Copenhagen daily Information, "is encouragement for those who believe that the Nazi barbarity was something unique which the international community must, and can, combat. Waldheim and his 'clear conscience' is the best proof that this combat has lost none of its meaning."

In West Germany, Chancellor Helmut Kohl, who praised Mr. Waldheim as "a great patriot" when the Austrian's war record first came under scrutiny a year ago, remained silent on the American action.

But there were suggestive twinges of sympathy for the beleaguered Austrian in the press. Johann Georg Reissmüller, a publisher of the conservative Frankfurter Allgemeine Zeitung, accused the United States of hypocrisy for having in the past received a number of statesmen who had been involved in "bloody mass crimes."

"Why?" asked Mr. Reissmüller. "America didn't want to slight states that it might need. No one has so far proved that President Waldheim did anything dishonorable, but the superpower America thinks it can deal with little and neutral Austria as it likes."

The Austrian President had other defenders in Europe. The Soviet news agency Tass charged that "Zionist circles" in the United States had sought to punish Mr. Waldheim for his pro-Arab views at the United Nations. And, as the East was cut, Mr. Waldheim had in fact secured a European invitation — to visit next-door Hungary in 1988. Escape from isolation seemed to lie in the East.



President Kurt Waldheim during visit to Austrian Jewish Museum in Eisenstadt last week.

The Nation

Debate Over Federal Loan Subsidies

Can Social Responsibility Be 'Privatized'?



Police officers removing a protester outside C.I.A. headquarters in Langley, Va.

Capital Marches

Protests at C.I.A. Echo 60's, 70's

IN counterpoint to an anti-Administration protest Monday that ended with more than 550 arrests, one man carried a sign reading: "Go Home Amy — You Too Abby."

Amy Carter and Abbie Hoffman were not actually in the crowd that gathered in Fairfax County, Va., to block entrances to the Central Intelligence Agency in protest of covert activities in Central America and elsewhere. But Daniel Ellsberg and Philip Berrigan, prominent in the of the movement against the Vietnam War, were among those arrested. The next day, two other well-known activists, Dick Gregory and Rosa Williams, staged a second protest, and were charged with trespassing.

"It's kind of a 60's crowd," said the Rev. Joseph Nangle, a Catholic priest who spent years in Chile and Peru. "Reminds me of the 70's," Mr. Ellsberg said. "But people seem older now, more middle-aged. And they don't seem to see the police as enemies." A spokesman for the Fairfax County police described the relatively nonviolent demonstration as "almost carnival-like," and Kathy Pherson, a spokeswoman for the C.I.A., said most of its employees were able to get to work through other entrances.

Demonstrations had begun two days earlier across the Potomac where tens of thousands of marched in the capital. The A.F.L.-C.I.O. had urged unionists to boycott the rally, maintaining that some groups in the sponsoring coalition not only opposed Administration policies in Central America but supported Communist elements there. But 24 union leaders were among the organizers and the labor turnout was heavy.

FOR more than two years, the Reagan Administration has proposed that many Government assets and activities be "privatized" by selling or transferring them to industry.

Though some sales have gone forward, the general effort has met resistance from members of Congress and advocacy groups. Last week, the Administration abruptly called off an auction of mortgages it holds on low-cost housing after Federal Housing Commissioner Thomas T. Demery warned the Government National Mortgage Association, a part of the Department of Housing and Urban Development, that low-income families could be displaced from their homes as a result of the sale.

Federal lending programs support farmers and homeowners, students and small businesses, and exporters and shipbuilders, among others. The Government has more than \$251 billion of direct loans outstanding, and it has guaranteed another \$450 billion of private loans, mostly for housing. Mr. Reagan's budget for the 1988 fiscal year assumes that loans with a face value of \$11.2 billion will be sold.

The Administration is trying to center attention on such loan programs, contending that the costs have been largely hidden, and that more accurate accounting for them is needed. Spokesmen for the beneficiaries of such programs fear that the Administration's ultimate goal is to eliminate much of the Government-subsidized lending.

To explore these issues, Robert Pear, a reporter in the Washington Bureau of The Times, talked to Joseph R. Wright Jr., deputy director of the Office of Management and Budget, and Representative Barney Frank, a Massachusetts Democrat who as a member of the Government Operations Committee has specialized in housing issues. Excerpts from the interviews follow.



Wright Industry Is Better at Some Things

Question. The Reagan Administration emphasizes "privatization" not just to save money but to reduce the role of government. Is it appropriate for the Government to execute social policy through lending?

Answer. Yes, it is very appropriate for the Government to execute social policy through its lending programs as well as its grant programs as well as the services it provides through direct operating expenses.

The intent of the loan asset sale program is to use the best of what the Federal Government can do, in terms of its responsibility, and the best of what the private sector can do: credit reporting on those who go delinquent, collection activities, etc., etc.

Q. Critics say the sale of housing loans provides a good example of what can happen when the Government rushes to sell loans without considering the impact on the ultimate beneficiaries of subsidized loans to developers, such as tenants in low-cost housing.

A. That, to my understanding, was a standard sale, part of the normal course of business. I don't think there's been any rushing involved. Plus the fact that they did consider the impact of it and they did postpone the sale.

Q. At the last minute.

A. Sure. And that's one of the things that we're trying to do across the board: Make sure that all the borrower rights are passed through.

Q. Why has the Administration proposed so many cutbacks in subsidized loan programs, whether it is

Up for sale

Face value of loans proposed for sale by Reagan Administration (in billions of dollars, fiscal years, by Government agency)

	1988	1989-92
Agriculture	3.900	12.130
Small Business	2.170	4.069
Housing and Urban Development	1.400	0.402
Education	1.073	0.177
Veterans	0.300	0.600
Export-Import Bank	1.200	4.000
Interior	0.358	0
Health and Human Services	0.229	0
Transportation	0.583	0
Tennessee Valley Authority	0	0.256
Total	11.213	21.634

Source: Office of Management and Budget

Paul Conklin (Wright); The New York Times/Mary Katz

housing or education or student loans? Is there some philosophical concern? Obviously, the borrowers cannot afford market loans.

A. Let's be a little careful. On some borrowers, you're right, they cannot. The question is, the others. Are you really telling me that Boeing cannot afford to go to the marketplace? Or the rural telephone co-ops or the rural electrical co-ops? Some of these are extremely healthy, very high-cash-flow companies.

One of the big problems is you don't have an accurate account of what the subsidy is. Something like the agricultural export program, which has a very high subsidy rate — a dollar in that lending program will be counted as equivalent to a dollar in the farmer loan program.

Q. In the budget process, the amount of the loan and not the amount of the subsidy is counted?

A. Exactly right. The farmer loan program has a very low subsidy level because if the farmer can't pay off the loan, he forfeits the crop.

That's one of the reasons for our credit reform proposal. We said: "Let's go in and let's establish accurate subsidy levels for these lending programs."

Q. What about the assertion that a prime motive for the program is simply to raise cash quickly to reduce the deficit this year and next?

A. Whoever says that hasn't looked at the proposal. We will not guarantee or take back a loan if the private sector can't collect it.

Now again, it's not a perfect world. In some of the areas that are awfully close to the social programs — let's say like some of the farmer programs — we're proposing that. Or in some of the international lending.

Q. As to housing, could not the Government better protect low-income tenants than private investors, not all of whom might care —

A. Aha. Remember your borrower rights and your purposes under which they were first intended, and are passed through with the sale.

Q. But after the loan is paid off, there's no obligation.

A. After it's paid off. But then, see, what can happen is that borrower can come right back into the Federal Government again.



Frank Poor People May Lose Their Homes

Question. Is it in the national interest to sell Government loans to private investors?

Answer. It depends on the program. In some cases, by having made the loan you've accomplished a purpose. You've put some money into someone's hands, you've enabled that individual to do what he or she wanted to do and it is perfectly sensible for the Government to sell a loan. A student loan might be in that category.

In other instances, there is a continuing Government interest in the equity created through the loan, and it's not a good idea to sell the loan without some safeguards and restrictions. Housing is a good example.

There's a lot of unhappiness about homelessness. Very, very few of the homeless people parachuted here from Mars. Virtually all of them are Americans who used to live in homes.

I don't think people anticipated the degree of gentrification in some urban areas. If you do what the Office of Management and Budget wants to do — simply sell off housing loans — we know, as a matter of fact, that in many areas, people will buy them, and immediately pay off the mortgages and sell those units as condominiums or greatly increase the rentals. And lower and moderate-income people are on the street.

If you think that since Thomas Jefferson never spoke to the subject of multiple-family housing, it is therefore not a Federal responsibility, then, as with a lot of other things, you just wash your hands of it, as the Office of Management and Budget would do.

Q. What about the Administration's argument that the private sector is much better at collecting loans and managing loan portfolios than Government agencies?

A. Well, this is a different kind of loan. We're talking about a building. We have problems with student loans because students tend to move from state to state sometimes. Very few of these buildings have ever crossed state lines.

By the way, this is not a private-public distinction. It's a subsidized versus non-subsidized distinction.

We're not saying you shouldn't sell these loans. Many of them are in private hands right now anyway. We're asking that the sale be influenced wherever possible so that people who are prepared to maintain the low- and moderate-income housing would take it.

Q. What about the argument that the Government has been selling mortgages like these for years?

A. I'm not one who believes that everything the Government has done for years and years was perfect.

In fact, it's a little bizarre when you have some of the right-wing ideologues who are really behind this kind of anti-housing policy telling us: "Oh my, there's precedent for this. How can you possibly want to change precedent?"

I thought these are the people who wanted to turn the Government upside down and inside out. In fact, I would expect legitimate conservatives to be very much supportive of the position we're taking.

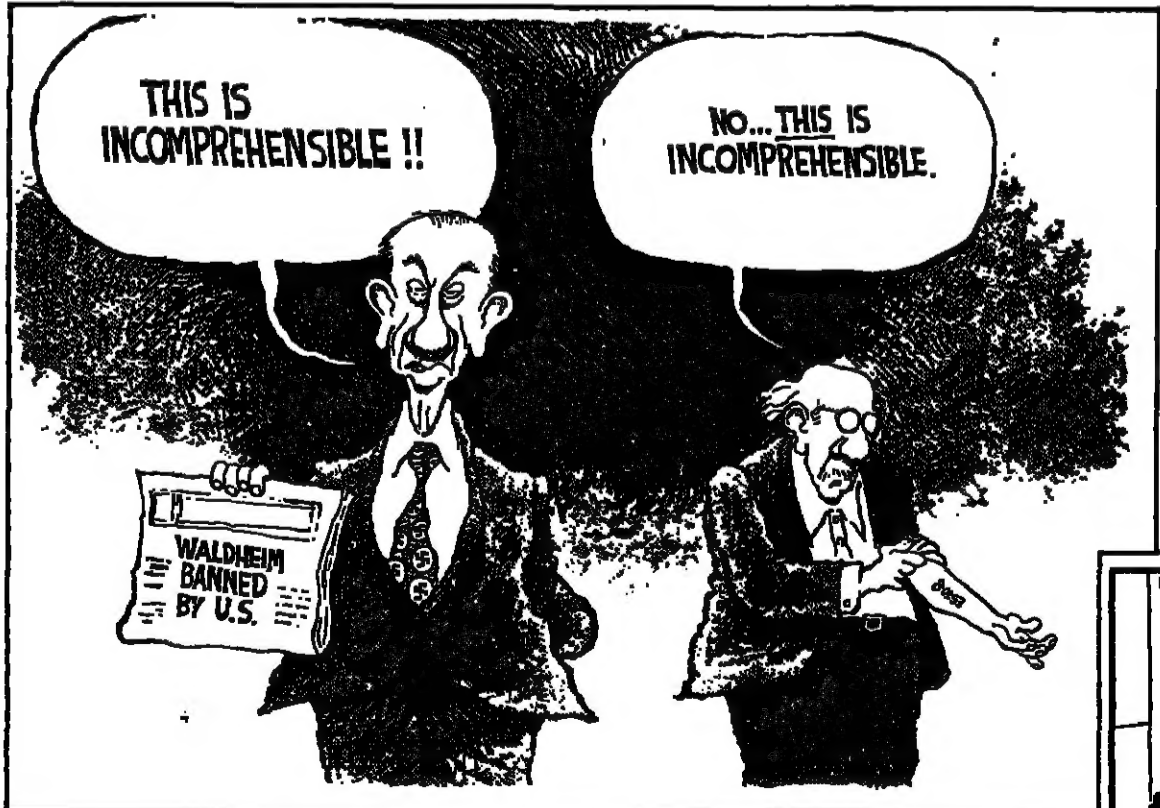
Q. Can you think of other types of loans where sales might be unjustified for the same reason?

A. The question is always: "Do you think there's any Federal responsibility for the costs of failure?"

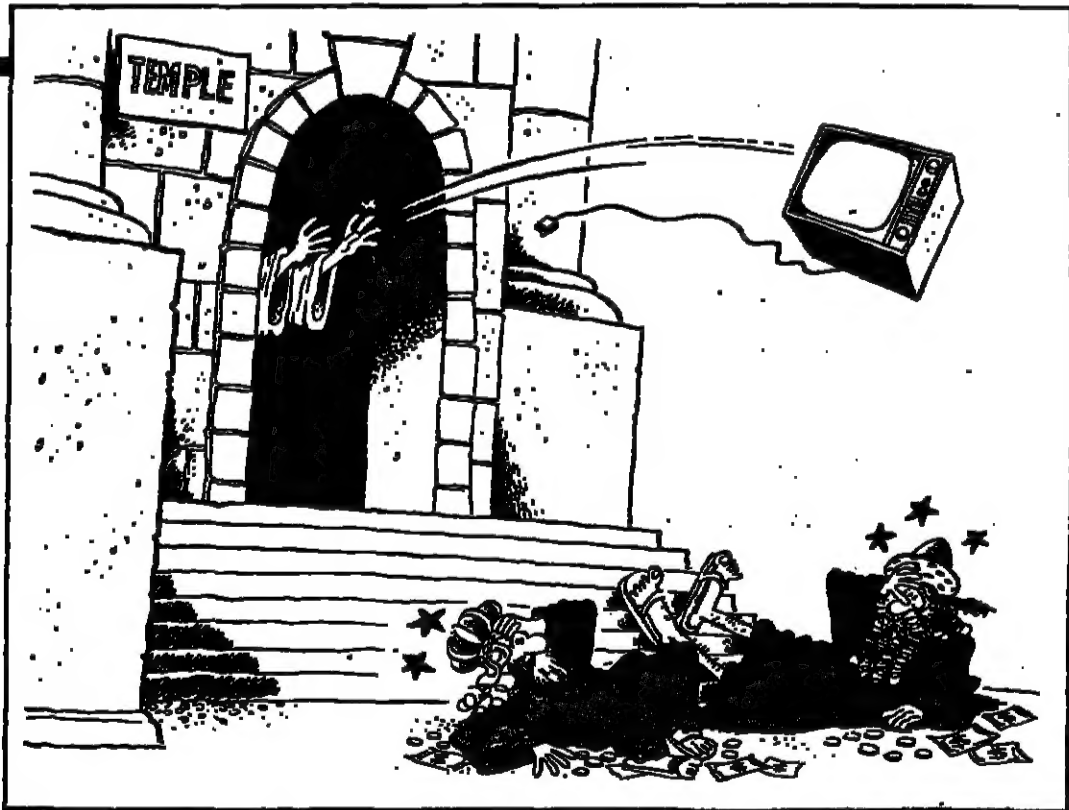
That doesn't mean you should never allow people to fail. You have to allow people to fail to keep the economy competitive. But there may be instances when you won't let the economy fail, because of your having then to deal with greater costs as a result of the failure. That might be the case for some small businesses.

Views

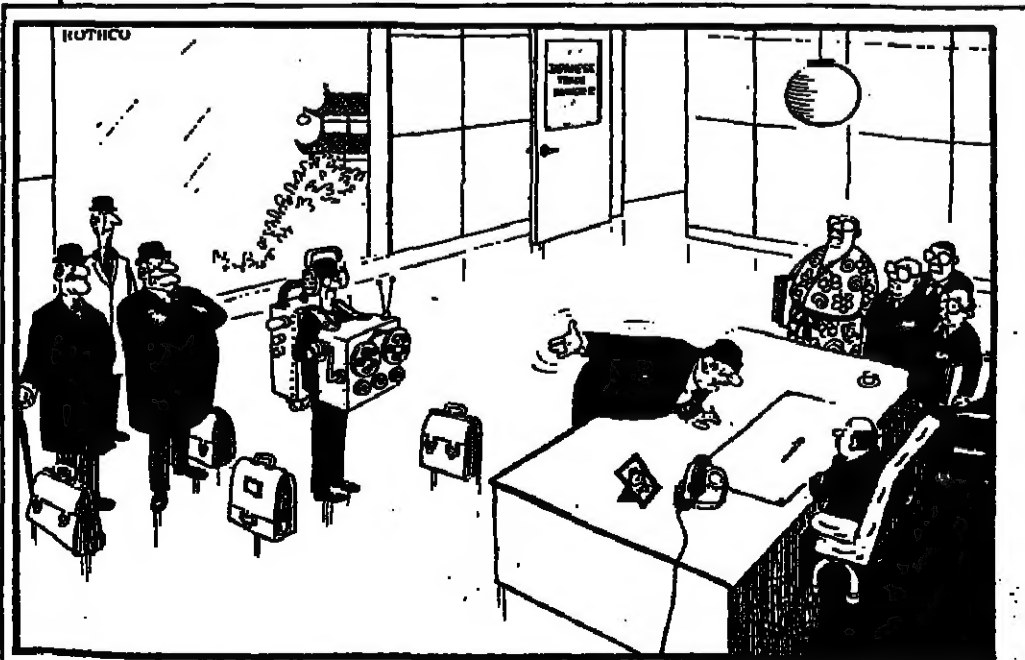
A portfolio from around the nation and the world



Rob Rogers
The Pittsburgh Press



Bob Englehart
Hartford Courant
Copley News Service



Mac
Daily Mail (London)
Rothko

سكزا عن الام

Farewell to the Feminine Mystique

By MARY LEE SETTLE

THERE WAS A TIME WHEN going to the movies let us sink into solitude, when the archetypes of ideal women were before us in all their vast simplicity, as aloof as goddesses, nine feet high. They represented what we wished we were or thought we were, would like to be, ought to be, ought not to be.

There they were, for a little while, on what was then called the silver screen. We could sit in the dark theater and be as beautiful as Garbo, as elegant as Carole Lombard, as gallant as Rosalind Russell, as rich and witty as Myrna Loy, as noble as Madeline Carroll, and as graceful and vulnerable as Katharine Hepburn — until the lights went up.

This sometimes stupefying, sometimes blackmailing, sometimes wonderful identification can't really happen on television, except late at night, after everyone else has gone to sleep. There you are, where you always were, before the silver screen. But most of the time, television and sometimes movies too are watched in an atmosphere as noisy as the 17th-century theater. You can't lose yourself in a character when the telephone is ringing or somebody stumbles over your legs to get more popcorn and a beer, or the dog barks to come in.

The goddesses are long gone. There may be, at most, only empathy for today's television and movie women. We can no longer identify with them. Instead, their function is reversed. They are designed to identify with us.

The sitcom girls are girls — not women. They are good sports, muggy, healthy, and they are as evocative as a Holly Farms Chicken ad. No longer transported to the Grand Hotel, or Casablanca, now we watch living room after living room designed to reflect the room we sit in, as if we were looking in mirrors. They have our troubles and our weaknesses, we can hear their stomachs rumble, they are as messy as we are ourselves.

The sitcoms are as uncomplicated as serial comic strips. The only difference between Brenda Starr and Dr. Rex Morgan and series like "Designing Women," "Kate & Allie" or "Cagney & Lacey" is in the medium, not in the characters. Critical attempts to make them more significant than they are show only the paucity of material.

The over-simple images reverse sexual roles, too. Women cops make

the same noise blowing up things as the men. Ramboette Sigourney Weaver in the film "Aliens" is as triumphant behind a machine gun as the Dirty Dozen. What ever happened to the educated complaint that the overuse of fire power was a Freudian substitute for the male organ?

Women lawyers seem to be popular lately. But even the TV series "L.A.

with women writers. Almost unremarked, Ellen Glasgow, Edith Wharton and Willa Cather first wrote about men as the weaker sex. Their parade of snobs, wimps, roués and drunks have come out of the academic attic and onto the screen. Is this the triumph of the feminist cause? Are we being used and fooled yet again, and turned into haridians or parodies?



Vivien Leigh as Scarlett O'Hara—a prototype for today's resilient screen heroines.



Sigourney Weaver in "Aliens"—a stereotype of reversed sexual roles?

Law," with its almost faultless writing, costuming, casting and function, is a yuppie comic strip. At least the women are lawyers, first, for once.

When "L.A. Law" sinks into role reversal, it sinks deep. The man one of the women lawyers was given at the beginning for emotional life outside the courtroom and the office was so shy he wouldn't dance until (of course, these days) the girl asked him. Predictably, the shy man finds a secret of sexual performance to show his manliness. There we are with the flip side of the classic old movie where dowdy Bette Davis takes off her glasses, lets down her hair, accepts a cigarette, finds out she has a body under her cardigan and becomes a successful sex object.

This role-reversing revenge started

There is nothing new in this. With all the movie magic, slipped in under sweet identity and dreams, we have always been taught hard lessons in the guise of women characters. We were warned about what we would turn into if we got too big for our britches in a male world.

There were the comeuppance films of Hepburn and Tracy, when we women, seduced by all the fun on the screen, were really being told that if we were so damn smart-aleck we would end up like Amanda in "Adam's Rib" or the "Woman of the Year," nearly losing our manhood. We came to our senses and either cried or got back into the kitchen. One of the most obscene scenes since Emil Jannings had the eggs broken over his head in "The Blue Angel" is

Katharine Hepburn in the kitchen, helpless, while everything overflows.

Amanda's granddaughter, Debra Winger's character in the film "Legal Eagles," has her day in court, too. But there are new twists. Katharine Hepburn went into court dressed like a woman, with much play on what was obviously supposed to be a John Fredericks hat, a symbol as indicative in those days as a man's shirt on a woman is today. Poor Debra Winger, the modern Portia, has to wear a kind of reverse drag. To show she is a lawyer, she is dressed like an extra in a low-budget film of "The Well of Loneliness."

Scarlett O'Hara became the precursor of a long line of feisty broads when Clark Gable walked out with the most famous put-down in the Civil War as fought in Hollywood. She is the grandmother of some of today's

best tough, resilient movie women. Even in the movie "Country" all Jessica Lange as Jewel Ivy lacks is her fist thrust in the air when she tells the world, "...when you come to take us off this land, you better come with more than a piece of paper." And, by the way, times sure have changed down on the farm since Ma Joad, her other grandmother, in the movie "The Grapes of Wrath," set out for California in a broken-down pickup with chickens lashed to the helm.

Less noble and more male-destroy-

ing, Bette Davis birched her way to the high point of her career as Regina in "The Little Foxes." She was less fortunate than Scarlett in her progeny — Alexis in "Dynasty," and all those vampy businesswomen who seduce and bawl and castrate and destroy their way to power, usually financial, dressed in flowing draperies so we can tell at once that they are witches.

The subtle slapstick of "Crimes of the Heart," one of the best and least understood films in years, may signal the end of certain kinds of women characters who have been taken solemnly for too long. Three of the most intelligent actresses in Hollywood, Jessica Lange, Sissy Spacek and Diane Keaton, make mincemeat of the stereotypes and their men. Theirs is the most subversive film since Ignatz Ratskiwatski had greatness thrust upon him in "The Miracle of Morgan's Creek" in the midst of all the gun-ho Army films of the 40's. Where do we go after the boring Southern husband finally gets a bullet in his Southern male chauvinist stomach?

One kinky direction is in the film "Black Widow," when Debra Winger turns in a Georges-Marcelano-goes-to-the-movies performance as a grumpy obsessed female Sam Spade. Kinky creeps into "L.A. Law," too, with its cameo roles of women as oddities if they (comically) are "emancipated." A beautiful substitute secretary is made into a caricature because she is a lesbian; a woman dentist is kinky about teeth. A woman witness is kinky about whores in courtrooms.

Another direction, and another ominous promise of a series or a sitcom to come, is in "Outrageous Fortune" with a camp performance by Bette Midler that twists into lovable poignancy when you least expect it. That comic one-liner poignancy is all too familiar. The divorced heir to Barbara Stanwick in "Stella Dallas" is Meryl Streep, the nice, tough, loser in "Heartburn." No longer witty, like the generation of satirists, she is more than a little kvetchy, a stand-up comic, sympathetic as all get out. She reminded me of nothing so much as the Dorothy Parker quatrain:

Hoggamus higgimus,
men are polygamous,

Higgimus hoggamus,
women monogamous.

What ever happened to the peerage of men and women, which is a reality in the workaday world? Out there in the world beyond television and movies, it does exist. Families are held together by it, and when a working woman borrows her husband's shirt, it could just possibly be because neither of them has had time to do the laundry.

We women are as burdened with the demand that we be sexually preoccupied as we ever were. Kate and Allie talk about men and men and men in their brave little shared apartment. In "Designing Women," which is set in a Victorian house turned interior design office in Atlanta, and where they speak vague suth'ran, the major owner is explained at once as a widow, one of the others as a divorcee, another totally obsessed with men, and the fourth, and most valid, an easygoing sexual loser. All of this has been discussed and discussed and discussed through this discontented television winter.

In each so-called "emancipated" woman character there is the obligatory exposition of where the men are. In one way or another she has to explain herself, how she has either lost, walked out on or sworn off men.

Put those explanations in "Platoon," or "Tunes of Glory," or deep under the sea surface in "Das Boot," out on the range with the Duke, off Cape Hatteras in a hell of a storm, or in a foxhole with a group of G.I.s and you see how ridiculous it is. Can you imagine Captain Ahab turning into the camera and saying, "I am chasing the white whale because my wife left me," or Clint Eastwood saying, "I'm shooting up this town because I'm a brokenhearted widower?"

Maybe I have lost my innocence, but I don't want to identify with any of these women, noble as some of them are. But late the other night I was watching "Topper" in a computer-colored version that looked like those pictures you use to tint by rubbing spit on the paper. I drifted off to sleep, vaguely aware that I was striding across the floor of a very expensive restaurant, dashing and elegant, with my floor-length ermine cape thrown over my shoulders, upside down.

Blake Edwards: Laughs Amid the Brickbats

For many, this veteran director's comedies are subjects for scorn.

By JANET MASLIN

THE TOMATOES ARE flying again, as they always do with the advent of a new Blake Edwards film. For a director who specializes in light farce, Mr. Edwards certainly can generate a lot of ill humor. "Ever been steered by a critic to a movie you ended up actively despising?" asks Amram Whiteman of New York City, one of numerous annoyed readers. "Enjoy it I didn't...a car crashes into a store twice or even three times (I don't remember which). Funny? I don't think so. A waiter is tossed in a swimming pool. Funny? Not on your life. Pocket ripping also leaves me quite cold."

Mr. Whiteman is hardly alone in responding to "Blind Date" this way. One fellow critic maintains that the lack of close-ups accounts for what he takes to be the film's failed humor, while the clerk at my local video store has been warning customers away from "Blind Date" months before it even comes out on tape. "The actors are from television, and the writing is the worst ever," he volunteered the other day. One of the film's few champions is a 5-year-old boy, the son of a colleague, who particularly loved the swimming pool and car crash scenes. He also liked one in which Bruce Willis, as a rude party guest, catapults an olive into a fellow celebrant's cleavage. Now why, among viewers 5 and over, does Mr. Edwards always manage to raise so many hackles, even with a film as relatively benign as this?

With a career that spans 30 years and is surely one of the most checked in Hollywood history, Mr. Ed-

wards has yet to establish anything like a loyal following. And for good reason: no Edwards film, however entertaining, has ever failed to make its audience wince here and there, with the wrong actor, the wrong song, the too-garish setting or the too-dumb gag. Nor is his style even distinctive enough to win him admirers. "Many people confuse Edwards's films with the works of other directors, such as George Roy Hill," note Peter Lehman and William Lühr, authors of a critical study of the Edwards oeuvre. "Others associate him with several Julie Andrews musicals with which he had nothing to do, although late in his career he did, in fact, marry that actress."

Mr. Edwards is on his third wind now, after his early hits ("Operation Petticoat," "Breakfast at Tiffany's," "Experiment in Terror" and "Days of Wine and Roses"), and his mid-60's Pink Panther period (starting with "The Pink Panther" in 1964, which Messrs. Lehman and Lühr feel "began a new, mature phase in his career"). After a string of fabulous disasters ("The Party," "Darling Lili") and an entire decade spent in eclipse, Mr. Edwards has lately bounded back with a vengeance: "10," "S.O.B.," "Victor/Victoria," "Micki and Maude" and now "Blind Date" mark his remarkable resurgence as a comedy director, while the more controversial "That's Life!" sounded a newly reflective note. Of his recent films, only "A Fine Mess" last year is, by anyone's standards, irredeemable.

So the 1980's have been good to Mr. Edwards. But his is not a style for this decade, and that's part of the problem. There's a dated quality to his films, even when they touch on reasonably daring subjects (like transvestism in "Victor/Victoria," bigamy in "Micki and Maude"). And when the story is more ordinary, as it is in "Blind Date," things can seem even creakier. "Blind Date" is about a financial analyst who must bring just the right woman to impress his colleagues at a business dinner; he finds a date who is beautiful, nervous, shy and not to be trusted in the presence of alcohol. She proceeds to

wreck his career and, after that, his life, as the film becomes an ever-escalating comedy of errors.

This is familiar Edwards territory, and one of the film's satisfactions, aside from its selection of well-staged pratfalls, is a certain knowledge of what lies in store. Props will fly apart and bean innocent bystanders; food will fly; strangers will tiptoe through one another's boudoirs, as they have in half the films Mr. Edwards has made. If this isn't the most innovative type of comedy under the sun, it's one of the most reliable. And the things that hurt "Blind Date" — the blandness of Bruce Willis in the leading role (especially compared with Kim Basinger, who emerges as a fine physical comedienne), the leisurely pace, the element of repetition — do little to diminish the sheer escapism, the reassuring silliness, that this kind of humor provides.

There are waves of fashion in comic film making as there are in anything else, and right now this brand of humor could not be more outmoded. Mr. Edwards has often tried to examine sexual stereotypes and sexual malaise, for example. But even a comic misfire like Susan Seidelman's "Making Mr. Right," in which a single woman falls in love with an android, seems more current than a "Victor/Victoria," in which Julie Andrews's role of a woman playing a man playing a woman is more intriguing than credible. And lately, the emphasis has been on sitcom-inspired humor, with its safe and synthetic style (as in "Outrageous Fortune" and "The Secret of My Success"). Mr. Edwards's full-blown, perfectly predictable approach is as far removed from these formulaic hits as it is from "Raising Arizona," something closer to comedy's cutting edge.

But Mr. Edwards perseveres, however unevenly. He can still plant a cockroach in a restaurant ("Victor/Victoria") or a bigamist's two wives in the same waiting room ("Micki and Maude") with a singular flair. His "Blind Date," with its energetic sight gags and boudoir farce, is more of the same. Comedy like this, never really fashionable in the first place, can't even go out of style.

April Foolery BY VICTORIA BLACK AND ALEX F. BLACK/Puzzles Edited by Eugene T. Maleska

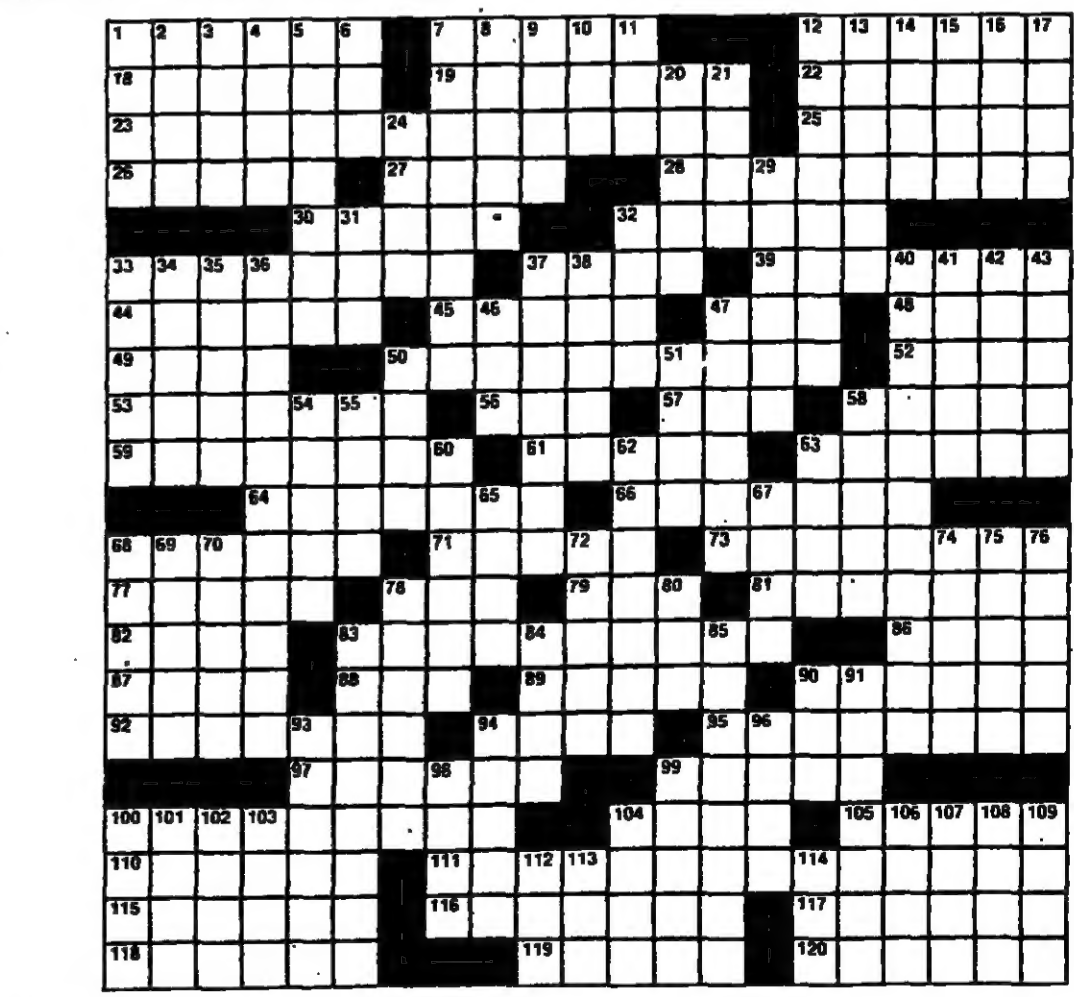
ACROSS

- 1 Pachyderm driver
- 7 Strict precision
- 12 Flew the coop
- 18 Underworld entrance, to an Italian
- 19 Lincoln's co-speaker at Gettysburg
- 22 Luzon seaport
- 23 Flamboyant financier?
- 25 London's Garden
- 26 Propelling device
- 27 Hebrides island
- 28 Postage for chain letters?
- 30 Primes for crimes
- 32 Most competent
- 33 Nest for Nesselrode
- 37 Black
- 39 Cheroots' kin
- 44 Creeps
- 45 Luau locale
- 47 Motorists' org.
- 48 — the finish
- 49 Cliff on Kauai
- 50 Jeanette's jumpy partner?
- 52 Recently deceased

- 53 Calm
- 54 Objective
- 57 Trouble
- 58 Title for R.C. archbishops
- 59 Underground art site in Spain
- 61 Disposed
- 63 Purify
- 64 Provincial ruler in Greece
- 66 Famed Spanish archbishop-scholar
- 68 Spa attraction
- 71 Lecture material
- 73 Aquatic plane
- 77 Cut short
- 78 Ventilate
- 79 Fold over

DOWN

- 1 Fairy queen et al.
- 2 With, in Wassy
- 3 German gentleman
- 4 Neighbor of Calvados
- 5 In the dark
- 6 Peak
- 7 Decant
- 8 Lendil and Paviw
- 9 City south of Leipzig
- 92 Last course



- 94 Pompador and Bovary
- 95 Citrus shelter
- 97 Turning points
- 99 Dutch genre painter
- 100 Eire symbols
- 104 Secular
- 105 Zones
- 110 Lift for the Montgolfier
- 111 Masked old master?
- 115 Confine
- 116 Summit site: 1943
- 117 Taker of SAT's
- 118 Merged resources
- 119 Melampus and Mopsus
- 120 Practices extortion

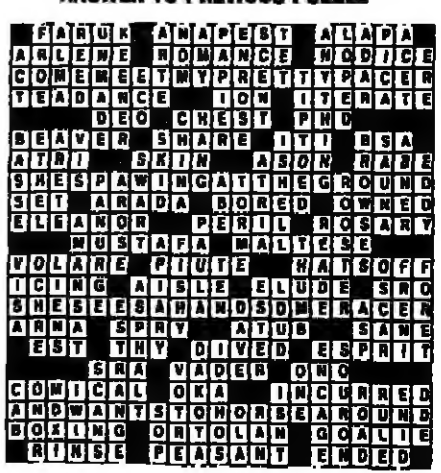
- 10 Pizarro's pursuit
- 11 Off-order
- 12 Part of a ship's rigging
- 13 City on the Douro
- 14 Stromboli flow
- 15 Allowance after tare
- 16 Former flyweight champ
- 17 Dahn's running mates
- 20 Roly-poly
- 21 European linden
- 24 Martin — U.S. politico
- 29 Creator of Gil Blas
- 31 Strayed Steinbeck vehicle
- 32 Related to
- 33 Browning heroine
- 34 Considering everything
- 35 Brilliance
- 36 Stylish subterfuges?
- 37 Discernment
- 38 Ruth's in-law
- 40 Midas touch?
- 41 Town in N. Finland
- 42 Worn away
- 43 Actor
- 90 Actress Charlotte

- 46 Wing Aphrodite favorite
- 50 River in Umbria
- 51 Rams' m'a'ms
- 54 Lifeless, old style
- 55 Conway and Holt
- 58 Country singer Haggard
- 60 Rx for bruises
- 62 Faces
- 63 Middle or high follower
- 65 Stopper
- 67 Letter opener
- 68 Tramped a swamp
- 69 White poplar
- 70 Big bites for bookworms
- 72 Make happy
- 74 Edwards or Lombardi
- 75 Where Saul met a witch
- 76 Suspicious
- 78 Of a trunk in a trunk
- 80 Org. playing the Doral
- 83 Reflected
- 84 Some spreads
- 85 These might be mixed
- 90 Actress Charlotte

- 91 Poe's "— Lee"
- 93 To write, to Pierre
- 94 Legalese for middle
- 96 Receipt for René
- 98 Card game for three
- 99 Philippine island
- 100 Packet, e.g. 101 "Ecce —"
- 102 Air: Comb. form

- 103 Heavy hammer
- 104 Orpheus's instrument
- 106 Multiflora
- 107 Bolardo's patron
- 108 Made a hole-in-one
- 109 "— more to be pitted..."
- 112 Cries of surprise
- 113 Word in genealogy
- 114 Theologian's deg.

ANSWER TO PREVIOUS PUZZLE



The New York Times

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Moscow Moves in the Mideast

As Israeli leaders lunge for each other's throats and Reagan policymakers dabble, the Soviet Union has moved swiftly and deftly to reestablish itself in the Middle East.

Consider the new Soviet leadership's recent activities there. It has been shoring up ties with Egypt and other moderate Arab states. It has reestablished its hold over a recently "unified" Palestine Liberation Organization, and developed subtle points of pressure on Israel. It also appears to be playing a behind-the-scenes part in arranging an international Middle East peace conference.

Perhaps Mikhail Gorbachev seeks to play a constructive peacemaking role between Arabs and Israelis. More likely, he's trying to take advantage of political disarray in Israel and Iran-contra embarrassments in the United States.

The Administration is wise to be wary of Soviet motives. It would be wiser still to show signs of life and strategy. The only strategy it evidences so far is quietly pushing an ill-considered international conference that until recently it quietly opposed.

Two weeks ago, the warring factions of the P.L.O. held a rare meeting in Algiers. To buy out from his radical brethren, Yasir Arafat denounced Egypt, the Camp David accords and King Hussein's efforts at talks with Israel. That seemed to bury the idea of an international conference, since it's unimaginable that the King would proceed without P.L.O. blessing.

Yet Moscow, which clearly wants such a conference, had a major hand in the P.L.O. reconciliation. Perhaps Soviet leaders put a premium on unity among the P.L.O. factions, their only true allies in the region. More likely, they found a way to pursue both goals.

Meanwhile, Israeli Foreign Minister Shimon Peres has had surprising success in winning agreement for an international conference even though Prime Minister Yitzhak Shamir hates the idea. With Washington's help, Mr. Peres has won approval from Egypt and apparently from Jordan for the idea of an umbrella conference that would launch direct Arab-Israeli talks.

But wasn't P.L.O. agreement to such a conference, wasn't Jordanian agreement unimaginable? It may yet prove so. For now, Middle Eastern diplomats say the King has agreed, something that could never have happened unless Syria agreed. And Syria may have been nudged by Moscow.

Meanwhile, Moscow has taken positive steps throughout the region. It has dangled enticements for Israel. One is continuing steps toward resumption of consular and diplomatic relations. The other is a new procedure that denies Soviet Jews refugee status needed to migrate to the United States but makes it easier for them to migrate to Israel.

Soviet arms sales continue to Jordan. For Egypt, which staggers under its foreign debt, Moscow obliged by rescheduling its sizable debt. Washington has done nothing about Cairo's much larger debt to the United States. Soviet commercial relations expand with Saudi Arabia, and diplomatic ties with Gulf states improve. Kuwait has chartered Soviet oil tankers, backed by Soviet warships, to brave Iranian missiles in the Gulf.

The scope of all these Soviet moves is breathtaking, and suggests a strategy. The Administration's response has been piecemeal: useful shows of strength in the Gulf and quiet support for Mr. Peres's conference. But such a conclave could backfire unless Washington carefully scrutinizes Moscow's role and outlines publicly what agreement might be achieved.

Mr. Peres may have political reasons for pushing the conference as he positions himself for elections. The Reagan Administration seems mostly interested in the short-term goal of regaining some influence in the region.

But it is bad practice to enter any international negotiation for such reasons. Without the most careful substantive preparation, these bargaining cauldrons can quickly put moderates under siege from extremists, and inevitably force Washington to twist Israeli arms to get some kind of agreement. Neither America nor Israel may find it easy to live with the consequences.

Moscow is skillfully maneuvering itself into a position from which to pick up the pieces. It's the Administration's job to see that there aren't any.

A Clarification

Last Sunday's Star Wars editorial cited a new report by the American Physical Society. The report concluded that a space defense system is so remote that its feasibility could not even be assessed for 10 years. Because of inadvertent ambiguity, one reference to the report could have been read as criticism of its conclusions. There was no such intention. On the contrary; the report was cited favorably, and to support the conclusion of the editorial.

Fresh Air for Real Kids

"Dear Daddy, I really did it." What 9-year-old Felix had done was to climb a tree in Connecticut. "Dear Mommy, I'm not afraid anymore." What 10-year-old Lanette no longer feared was the water in a lake in Vermont. "I feel like a real kid," said 10-year-old James, who suffers from sickle cell anemia. He felt like a real kid after learning to play softball with other youngsters, some of whom were in wheelchairs.

Felix, Lanette and James were among 8,500 New York City youngsters who escaped the heat and grime of summer in the city and discovered new worlds and friends through summer programs of The Fresh Air Fund.

Since 1877, the Fund has sent more than 1.6 million youngsters between the ages of 5 and 12 to camps or to stay with volunteer host families in country towns. This year, it hopes to offer Fresh Air

vacations to 11,000 inner-city children. The cost of two weeks in a Friendly Town is \$132 and \$498 pays for two weeks in camp. In addition, 1,000 inner-city teenagers visit the camps on weekends and holidays to hike, fish and enjoy winter activities from early fall through spring.

Last year, the Fund received more than 40,000 gifts totaling more than \$2.3 million. To reach its goal, the Fund now must raise \$2,443,000 by the end of September.

"I want to come back next summer," one little girl wrote. In fact, 60 percent of all Fresh Air youngsters are invited back by their new families. But their ability to keep coming back depends on the generosity of donors. The address for tax-deductible contributions, and for inquiries about becoming a host family, is The Fresh Air Fund, 1040 Avenue of the Americas, New York, N.Y. 10018.

Highway Horrors

A highway engineer has come up with a way to quantify the severity of traffic jams. As might be expected, they are bad in New York City and likely to get worse. Perhaps surprisingly, they will get worse elsewhere.

Jeffrey Lindley, a Federal Highway Administration engineer, devised the Congestion Severity Index. Based on 1984 data from 3,000 segments of highway around the nation, the index established Houston as the most congested city, with a total of 11,112 hours of delay that year at several locations. New Orleans was second with 10,576 and New York ranked third with 8,168 hours. New York would have been clearly No. 1, to the point of immobility, without its mass transit system.

The surprises came in Mr. Lindley's projections for the year 2005. Charlotte, N.C., becomes the most congested, with 76,393 hours of delays. Houston is second and Detroit third. New York, the projections indicate, will drop to 14th. Nevertheless, New Yorkers will endure a projected 12,262 hours of delays, 50 percent more than in 1984. With traffic, even the good news is bad news.

The Rowny Time Bomb

The chorus of doubts that has greeted the Reagan Administration's proposal to eliminate nuclear missiles from Europe includes some surprising voices. But the White House need not have been surprised to find Edward Rowny, one of the President's own arms control advisers, among the critics. He criticized the negotiations and indicated that the missile pact would be a profound mistake unless linked to relieving the Soviet advantage in conventional arms.

Mr. Rowny, a Russian speaker, says he has spent more than a thousand hours negotiating nuclear arms with the Russians. He must give them fits. He opposed the nuclear arms treaty of 1972 that first set limits on nuclear missiles. Though a member of the team that negotiated the second strategic arms agreement, his colleagues regarded him as a time bomb ready to explode when agreement was reached. Just as the treaty was ready to

Topics of The Times

be signed in 1979, Mr. Rowny resigned and worked against its ratification.

Mr. Reagan appointed him as a top arms negotiator, prizing his resistance to seeking agreement for agreement's sake. The President got just what he asked for. As an agreement on European missiles nears, it seems to have lit the fuse on the Rowny time bomb with which Mr. Reagan booby-trapped his own team.

The Laziest Gal in Town

With pandas few and far between in New York, the city's residents — who can safely be said to have seen just about everything else — are journeying north to the Bronx Zoo. There Ling Ling and Yung Yung, loons from the Beijing Zoo, are doing what pandas always do, which is to say not much, while cameras click and voices urge "Look over this way."

Ling Ling, who is male, 119 pounds in the fur and rumored to be perky, alternates his appearances with Yung Yung, a 187-pound female who gives new meaning to the word placid. She is in fact, a panda watcher reports, probably the laziest gal in town.

"At 1:31 Friday afternoon," noted the panda watcher, who observed the animal through a modest stand of bamboo, "Yung Yung was flat on her stomach, sound asleep. At 1:32, she turned her head to the right. At 1:33 she turned it to the left. The crowd roared. 'She moved!' At 1:35, heavy action. Yung Yung rolled over on her back and extended a left leg into the air. At 1:35 she scratched it with a right paw. At 1:37 she scratched her bottom with a left paw. From 1:38 to 1:42 she scratched everything she could get her paws on. At 1:43 she presented her left profile to the crowd. Another roar."

"At 1:44 Yung Yung stood up! Lumbered a few feet, paused and, presumably exhausted by the effort, slumped to the ground again. Then followed a few rolls, several scratches and, finally, another presentation of her profile to the crowd. The right side this time."

"Left at 1:47. Plan to come again. For the bamboo-munching. The apple-crunching. And maybe — should the gods be kind — the sight of a panda in full somersault."

Letters

Americans Need a Few Good Reasons to Save

To the Editor:

Mubin Phil Yen writes of economists who say they do not know how to motivate Americans to save more of their incomes ("How Do We Make It Fashionable to Save?", letter, April 15) and who believe the problem is beyond the reach of economics and can only be solved by a change in social and cultural values.

The answer to this problem, however, has already been demonstrated by individual retirement accounts and similar plans, such as Keoghs. Yes, our society is consumption-oriented. However, if people are given sufficient economic incentive to save, they will save.

I.R.A.'s have been successful simply because it makes no sense to pay the Government a tax today on \$2,000 when one can save or otherwise invest that money and pay the tax sometime in the future with the earnings of that \$2,000. Mr. Yen cites the high savings rate of the Japanese, but it should be remembered that they are not required to pay taxes on savings. I suggest the same incentive would be effective in this country too.

Until the last couple of years, we experienced savings disincentives through inflation, which made it prudent to spend and to borrow, and to pay back loans and credit with cheaper money. Our former tax system abetted borrowing by enabling us to deduct all interest payments. Thus economic motivation does work and could work in reverse. If a further revision of the tax law were to allow postponement of taxes on savings

until the savings were withdrawn, the results might well be startling.

In further response to Mr. Yen, it was not merely the public campaign that made the sale of savings bonds successful in the early 1940's. It was the combination of war patriotism and the excess of available money over the quantity of consumer goods, which were in short supply during the war. As for the sharp drop in American savings in 1986, especially in the fourth quarter, the reason was the prospective loss of the sales-tax deduction, which retailers made much of, again showing the effects of taxes on purchases.

HERBERT HAMMERMAN
Arlington, Va., April 16, 1987

Thrift, Thrift, Horatio!

To the Editor:

Leonard Silk comments on our inadequate national savings (Week in Review, April 5), and Mubin Phil Yen asks what to do about it (letter, April 15). I wish to point out that nothing is ever mentioned about our society's continuing failure to teach its young people the values and responsibilities of thrift.

The Rand Research Institute's youth poll has been monitoring national spending and saving patterns of teen-agers for 34 years. Our latest study, "Teen-Age Economic Power — 1986," strongly indicates that boys and girls are not being inculcated with any form of savings ethic.

Approximately three-quarters of the teen-agers interviewed in all sections of the United States describe

their life styles and those of their contemporaries as "wasteful" when it comes to shopping, spending and saving. While three out of five claim to save occasionally to purchase a more expensive product in the near future, only 16 percent say they save long-term. This contrasts sharply with two decades ago — 1966 — when two out of five were putting money aside for long-range objectives.

Until approximately 15 years ago, savings banks were a strong influence in instilling thrift through school savings programs across the country. These programs have been scrapped. Additionally, the steep inflation of the 1970's completely eroded the savings psychology among the young, who were powerfully swayed by the doctrine of buy today because prices will be higher tomorrow.

Whereas parents and teachers in the past were highly instrumental in fostering savings, their influence in this sphere has been greatly diminished, inevitably succumbing to the hyperspending of the times.

Seven out of 10 teen-agers in 1986 noted that the topics of thrift and conservation were seldom or never discussed at home or in school. Thirty years ago, when this subject was more in vogue, the same number said thrift was mentioned "a great deal."

In view of their upbringing, it would appear that we can expect little improvement in future savings, considering the largely negative attitude toward thrift being instilled in tomorrow's adults.

LESTER RAND
President, Rand Youth Poll
New York, April 15, 1987

Discouragement Factor

To the Editor:

The savants of Harvard and Stanford that Mubin Phil Yen refers to (letter, April 15) should have been told at that Citibank seminar some of the wonderful ways our New York City banks help train the younger generation to save:

- Close down as many branch banks in low- and middle-income neighborhoods as possible.
 - Prevent children from opening a savings account with anything less than \$500.
 - Eliminate the training of school savings clubs and the fun of passbook savings.
 - Swipe \$8 to \$15 every month the account falls below \$500.
 - And gear bank advertising to yuppies and suburban homeowners.
- You can count on 95 percent of our young people never learning to save anything and more professors scratching their heads at bank seminars.

GEORGE E. CALVERT
New York, April 16, 1987

The writer is executive director of Hope-Community, Inc., a nonprofit neighborhood preservation company.

East Is East, West Is West, but Midwest?

To the Editor:

Not much mention was made of one's physical point of view in your story on attempts of the new magazine Midwest Living to find what the Midwest is (April 27). In Omaha, where I previously lived, Michigan, Ohio and even Indiana were considered part of the East. Later I learned that Easterners considered Ohio, Indiana and even Kentucky to be the Midwest. But Nebraska and Iowa were the West, no doubt about that. Indeed, many provincial Easterners still perceive anything beyond the Alleghenies as the West.

Nebraska has never really figured out what it is. Bernard DeVoto, that avid frontier historian of the 1930's and '40's, was one of those who maintained that the West began at the 100th meridian, exactly in the center of Nebraska, "where the average annual rainfall drops below 20 inches." Many people in western Nebraska believe they should be part of Wyoming or Colorado. "That Eastern newspaper in Omaha and most of the Legis-



Bob Gale

lature in Lincoln don't understand our life style," they say. So, the publisher of Midwest Living has a few problems. But I'll subscribe, way back here in the Far East. DANIEL F. G. CONNOR
Roxbury, Conn., April 27, 1987

Air Deregulation Raises The Cost of Misfortune

To the Editor:

A presumably unintended side effect of deregulation of the airline industry has been to subsidize discretionary travel at the expense of trips necessitated by death, illness and other family emergencies. During the last year, I have twice flown on short notice from my current home in Albany to my family home in Tennessee, following the death of my grandfather and my father's heart attack. On both occasions I paid more than \$500 round trip, in contrast to the cheapest, advance-purchase rates of approximately \$120.

The policy of charging premium prices for short-notice flights is surely directed primarily toward business, not personal travel. If airlines are private enterprises purely and simply dedicated to maximizing their profits, making money from other people's tragedy and misfortune is unremarkable. As a consequence of deregulation, however, we have implicitly adopted a public policy that subsidizes cheap trips to the beach at the expense of hospital bed-sides.

JERYL L. MUMPOWER
Associate Professor, Dept. of Public Administration, Nelson A. Rockefeller College of Public Affairs and Policy
State University of New York
Albany, April 15, 1987

Superpower Missiles in Europe Are Redundant

To the Editor:

It is being said (for example, by Tom Wicker, column, April 18) that West Europeans should stop worrying and accept Mikhail S. Gorbachev's proposal to rid Europe of land-based nuclear missiles because (1) in any Soviet conventional attack, North Atlantic Treaty Organization missiles would be unusable, given the Soviet capability for nuclear retaliation; and (2) the Russians have no reason to incur the huge cost of a conventional war to take over Western Europe. The Soviet leader's proposal should certainly be accepted, but not for those reasons. They are no more than intelligent guesses about what some unknown Soviet leadership would do in a future crisis. A natural European response is to ask: "Yes, but how can we be sure?"

A sounder argument rests not on certainty but on uncertainty, which surely weighs as heavily on the Russians as on NATO. Anybody can shrewdly calculate that the West would never dare press the nuclear button to stop a Soviet invasion, but how can any responsible Soviet leader make that assumption? The weight of uncertainty lies most heavily on the side that would initiate war against a nuclear-armed adversary.

The original rationale for United States nuclear missiles on European soil was faulty — and so, by the same

token, was the Soviet deployment of comparable systems in the East. Our allies may have convinced themselves the United States would feel freer to make first use of European-based missiles than of U.S.-based intercontinental ballistic missiles — but on what logic? Surely, Moscow could equally (though not certainly) inhibit use of any category of weapons, wherever sited, simply by its known capability to retaliate against the United States. The capability is the threat. Conversely, the U.S. strategic capability against Soviet territory is no less a threat.

Conclusion: All the superpower missiles in Europe, both U.S. and Soviet, are redundant and can be removed without any change in mutual deterrence — a deterrence that has never been, and can never be, certain. The foolish quest for certainty through the piling up of these terrible machines can have no result but a vast multiplication of potential horrors should one side, or both, guess wrong in a crisis about the mind of the other. For our minds are the most impenetrable black boxes of all. Let us learn to live with uncertainty, appreciate its protections and not let its irreducible risks confuse our judgment.

WALLACE IRWIN JR.
Larchmont, N.Y., April 21, 1987

The writer is former editor of the Foreign Policy Association.

Not All of the Wildlife Lives in the Rockies

To the Editor:

In "The Bronx Zoo" (Topics of the Times, April 22), about the two giant pandas coming to the Bronx Zoo, you said New York City somewhat short by casually writing off the city's small wildlife as consisting of "rats, roaches, squirrels and a sky's worth of pigeons."

Actually the city's small wildlife includes a surprising variety of frogs, turtles, snakes, shore birds, ducks, geese, hawks, owls and songbirds, as well as herons, egrets and two species of falcons.

As of early 1986, before the solid concrete median highway divider made its debut, the city's native mammal life included chipmunk, gray squirrel, cottontail rabbit, muskrat, opossum, weasel, raccoon and red fox.

But unless the new divider is structurally modified to allow passage to small animals, it is going to have a

devastating impact on them throughout the Northeast and particularly in urban areas. It is to be hoped that the city's resourceful native mammals will survive even in reduced numbers.

Finally, there are some nonnative species flourishing in the city — pigeons, rats, a growing woodchuck colony in Central Park and, of course, feral cats, who are filling the ecological niche left vacant by the bobcat's retreat (at least for the time being) to northern Westchester.

Not all of our wildlife is in the Rockies or Alaska. Just keep your eyes open.

EDWARD RUTHERFORD
New York, April 22, 1987

Economic Affairs Dept.

To the Editor:

Tom Wicker makes an eloquent case for a coordinated economic policy (column, April 15). More than 20 years ago, the Johnson Administration proposed creating a Department of Economic Affairs to serve as an umbrella over the Departments of Labor and Commerce, the Customs Service, Tariff Commission (now the International Trade Commission), the Trade Representative and other such agencies. Regrettably, the plan was shot down. The opportunity to orchestrate economic policy, domestic and foreign, was lost. Do we now have more foresight?

BEDROS ONIAN
Buffalo, April 16, 1987



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ON MY MIND | A. M. Rosenthal

Educating for Freedom

Normally we don't pay much attention to teachers. We expect them to educate our children and practically to raise them by protecting them from drugs, crime and sexual disease, all for a lot less than we pay plumbers. From time to time, when they slip a bit in their police functions, we yell at them but we don't actually try to find out what is on their minds.

But teachers are saying some interesting things these days, and attention should be paid. They could turn out to be more important than almost anything being said by the Presidential candidates — and probably will stick in the mind longer.

The American Federation of Teachers is saying that the schools are not doing a good enough job in their duty of preparing young people for the joys and responsibilities of living in a democratic society and preserving it. The union wants to do something about it.

That duty was once taken for granted. Schools taught that a free society was not only the one we were lucky enough to live under but the best form of society.

That has changed substantially, beginning in the late 60's. The tendency became to avoid value judgments among various forms of government. And providing students with enough history to make their own judgments does not seem to be considered an essential part of the purpose of education.

Perhaps the change came because the country was so riven by a war the nation came to despise. The kids were being educated in a social atmosphere of doubt, cynicism and weariness.

Neither parents nor school boards saw what was happening. The teaching of history was being leveled out so that the difference between freedom and various forms of tyranny became not a choice between good and bad but just a matter of taste, a yawn, nothing to get excited about.

The issue has been put with clarity in a declaration on "Education for Democracy" drafted by the A.F.T. working with the Educational Excellence Network and Freedom House. It has been signed by, among others, Jimmy Carter, Senator Bill Bradley of New Jersey, Elie Wiesel, Benjamin Hooks of the N.A.A.C.P., Mayor Henry Cisneros of San Antonio and the presidents of the Universities of California and Notre Dame.

It is not an effort to propagandize children. It is a serious appeal to schools to give their students, from

the early years on, the learning necessary to understand that the difference between freedom and tyranny does involve choice, decision and acceptance of responsibility.

The document starts with some clear-cut premises:

Democracy is the worthiest form of human governance ever conceived. We cannot take its survival or spread or improvement for granted. The central drama of modern history has been and is the struggle to establish and extend democracy here and abroad. Democracy's survival depends on our transmitting to each new generation the political vision of liberty and equality that underlies, or should, American unity.

It all seems fairly obvious — if you believe it. But just as you have to be taught to hate you have to be taught to find truth. In this case, the demonstrable truth in democratic principles. You can learn it the hard way — by living in a tyranny. Or you can be taught through education in history and democratic ethics.

This does not mean simply pronouncing values and insisting they be accepted. It involves teaching the history of our own and other societies so that the student sees the values and is in a position to judge.

It means teaching not only democratic values but Communist, militarist, fascist values. The idea is to provide enough information so that the student understands that social contracts are not cost-free but often deliberate choices among conflicting values and that the price can be very high indeed, a matter of life and death.

Laying down principles for education in democracy obviously is important and so is the next step — curriculum examination and change.

In California, a statewide curriculum evaluation is taking place with education in democratic rights and obligations the objective. In most other states, county governments and school boards have primary responsibility. New alliances are being formed; parents and teachers liberal or conservative are discovering common ground.

You can talk about it with the people who run your schools. You can tell them whether you are willing to pay the price of taking a long look at the curriculum to see if an understanding of democratic principles is built into it. It may cost money — perhaps more teachers and new textbooks — but it will be cheap in the long run. Ignorance of the history of freedom winds up costing a great deal.

Something to get excited about.

WASHINGTON | James Reston

How to Lose in '88

The way things are going, it will be hard for the Democrats to lose the Presidential election of 1988, but they might just do it.

The odds, of course, are the other way. The Iran-contra scandals are back in the news and threaten to stay there all summer. The economy is soft and the Republicans have an acting President who won't be in the race.

Even so, by choosing protection as their major issue, the Democrats are risking rejection. They are backing into the future, concentrating on the present rather than planning for the 90's.

In a way, they are repeating Ronald Reagan's mistakes. He won twice by running against Washington and the Russians, and telling the people what they wanted to hear. The Democrats are running against the Japanese and telling the people to blame everybody but themselves.

But things have changed. After six years of Reagan, years of drift and hallucination, the people know that if they can't trust the marines and preachers, something is deeply wrong. Maybe not quite yet, but by next year they may be looking for leaders who will tell them the truth and speak to them about their duty and the sacrifices they must make to set things right.

The Democrats are not doing that now. Neither are the Republicans. They are talking about the protection of our trade rather than the protection of our children, and looking for television stars who will encourage the people to be complacent and acquisitive.

No doubt the Japanese are as selfish as the rest of us but they're not to blame for our budget deficits, our creaking industrial facilities, our lazy education system or our alarming social problems.

We have trade deficits not only with the Japanese but with other industrial countries as well. Look, for example, at a little island like Taiwan with its 19 million people. It has a trade surplus with the United States of \$15 billion, though it has opened up its markets to our goods.

It now has a foreign exchange reserve of \$54 billion, the second largest in the world. It has a disciplined education system and work force, with nine years of compulsory schooling, a six-day work week and 2 percent inflation and unemployment.

This may be a silly comparison, but it makes the point: Japan is not the only nation to make us wonder why

we are having so many problems at home.

The Democrats, however, seem to think the remedy lies in expanding trade by restricting it. This is a little like Mr. Reagan's formula for balancing the budget by cutting taxes, raising defense appropriations, borrowing and spending. "Ask not what you can do for your country but what you can do for yourself."

The House of Representatives came out with the worst trade bill since Smoot and Hawley (or was it Hoot and Smalley?) and one of the sad things about it was that Representative Richard Gephardt of Missouri led the charge.

He is the best-looking young Presidential candidate to emerge from Capitol Hill since Jack Kennedy. At 46, with six terms in the House under his belt, he was hailed as a rising star of the new generation, but he did something nobody believed possible: with his threat of draconian tariffs he made a terrible bill even worse, and invited the Presidential veto it deserves.

What Mr. Gephardt and the majority of the Democrats in the House have asked us to believe is that protectionism is a form of patriotism, that it saves jobs by blocking imports, that it keeps out the cheap-labor products from abroad, other nations will buy our high-priced products in return. Even Mr. Reagan never went that far.

Fortunately, the election will give us a chance not only to look at the candidates on television but to think about what they're saying, and to wonder not only where they're going but as Mr. Reagan has taught us, also to consider who's going with them in the Cabinet and the White House, if they get there.

Focusing on the campaign won't be easy for the rest of the year. For the Iran and contra scandals are still with us, and Washington is still preoccupied with what Mr. Reagan forgot and when he forgot it, as if this now makes much difference.

Ironically, Mr. Gorbachev and the "evil empire" may still give the President an arms control deal he can't refuse, and let him retire in peace, but the people can't do much about that.

What they can do is look beyond Mr. Reagan for leaders who will talk to them, not about tax cuts and "Star Wars" and the wicked foreigners, but about their responsibility to the nation and the civilization they represent.

By Daniel K. Inouye

WASHINGTON — The sights and sounds will be familiar: the Senate Caucus Room overflowing with people and overheating with television floodlights; the questions about what the President knew and when he knew it; what the President's men did and why they did it; what laws were bent, broken or ignored by zealots for whom the end was more important than the means.

On Tuesday — almost 14 years to the day since the Watergate hearings began in the same room — two select committees of Congress will begin public hearings into the Iran-contra affair. No one will be faulted for possessing a sense of déjà vu.

But the Iran-contra affair is not Watergate. It is much more serious than Watergate, not because of who was (or was not) involved but because of what was involved: the formulation and conduct of American foreign policy.

Watergate was about a botched burglary, a campaign of dirty tricks and an attempted cover-up of those miserable deeds. It was a political scandal of major proportions to be

Daniel K. Inouye, Democrat of Hawaii, is chairman of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition.

sure, but solely that: a domestic political scandal.

In contrast, the Iran-contra affair is an international event that has consequences that go beyond our shores. It involves the constitutional relationship between the executive and legislative branches in the shaping of foreign policy, the credibility of that policy, our relations with other countries, the actions of our intelligence service and some of America's most closely held national security secrets.

A political operation that spins out of control may lead to electoral abuses. A runaway foreign policy may lead to international mistreatment, broken relations and heightened tensions. Because of the profound issues in question, we in Congress are compelled to investigate the episode. And for precisely the same reason, we are compelled to insure that the investigation is conducted in an atmosphere free of partisanship and theatrics. The nation would be ill-served by a Congressional panel wantonly weakening a President for presumed political benefit.

In the last quarter century, we have seen how foreign perception of weakness in the Oval Office contributed to crises for three Presidents.

Why the Iran-contra inquiry is deliberately bipartisan.

After the Bay of Pigs invasion in 1961, the Soviet Union placed nuclear weapons in Cuba, touching off the 1962 Cuban missile crisis; in 1973, at the height of Watergate and only five days after the "Saturday night massacre," a threat of unilateral Soviet intervention in the Middle East led to a military alert of conventional and nuclear American forces, and within eight weeks of the seizure of American hostages in Iran, in 1979, the Soviet Union invaded Afghanistan.

We are obligated to investigate the conduct of the highest Government officers, and we are determined to let the facts lead us where they will. But we need not, and will not, perform this task in a way that suggests to our adversaries that we are a nation divided.

We have succeeded so far in avoiding this impression, I believe, because of the lessons learned during the Watergate investigation. The Senate committee that investigated Watergate, on which I served, had the same mandate as do today's select committees: to seek the facts about the events in question and propose legislation to prevent a repetition.

But the structure of our Watergate committee staff encouraged partisanship. There were majority

(Democratic) and minority (Republican) lawyers, there were majority and minority investigators, majority and minority secretaries. Even the committee's budget was divided into Democratic and Republican portions.

After the investigation concluded, Fred D. Thompson, the committee's able minority counsel, wrote that loyalty to the Republican minority was "one all-important criterion" for hiring his staff: "We're going to try our best to have a bipartisan investigation, but if it comes down to the question of 'us' and 'them,' I don't want to worry about who is 'us' and who is 'them.'"

My one condition for assuming the role of chairman of the Senate committee was that there would be no majority and minority staffs, but a unified staff whose members report to the committee as a whole and not to the Democrats or Republicans. Our chief counsel, Arthur I. Liman, regards all members of the committee as his clients, and under his direction our staff members sit cheek by jowl, unconcerned whether their neighbor is one of "us" or one of "them."

The structure of the staff would be meaningless if the members of the committee were determined to make this investigation a partisan matter. Happily, this has not happened, nor do I expect it to.

Senator Warren B. Rudman, Republican of New Hampshire, is the vice chairman and is empowered to make decisions in my absence. We collaborate on everything, and we have divided the responsibility for witnesses among all members of the committee so the hearing will be a collective enterprise.

At no time during our closed committee meetings has any member raised political issues or hinted at a Democratic attempt to smear the President or a Republican scheme to cover things up; an observer at our meetings could not tell the Democrats from the Republicans. Every vote the committee has taken — 19 to date — has been unanimous.

Seeing our approach and that of our colleagues on the House select committee, the executive agencies, including those normally cloaked in secrecy, have been cooperative, and the

Global issues are at stake.

President has shared his personal diaries with us.

Meanwhile, the decision to hold joint public hearings will enable us to tell the Iran-contra story fully and concisely. Nearly 17 months elapsed from the date the Senate created the Watergate committee until the committee's report was published. We hope to accomplish our work in about half the time. The Watergate hearings dragged on for more than eight months. Because we insisted on concluding most of our investigation before beginning public hearings our hearings should take about one-third as long.

At the opening of the Watergate hearings, chairman Sam Ervin reminded his audience that "the purpose of these hearings is not prosecutorial or judicial, but rather investigative and informative." Our purpose is the same.

Help Gorbachev, but Not Too Much

By Dimitri Simes

WASHINGTON — Interesting and potentially crucial changes are taking place in the Soviet Union. That Mikhail S. Gorbachev is sincere about transforming his stagnant society is no longer in doubt. Yet, his proposals to the United States — whether on arms control or on trade — should be treated strictly on their merits. It would be a profound mistake for the United States to rush in with advance concessions to offer him a helping hand.

Why should anyone assume that American concessions are the best way to promote Soviet liberalization at home and moderation abroad?

After all, General Secretary Gorbachev openly admits that it was precisely the Soviet economic and social decline, coupled with foreign policy setbacks, that persuaded the Politburo to endorse "perestroika," as his controversial restructuring effort is called.

Also, reform is still in an experimental stage. Mr. Gorbachev and his colleagues concede that they do not have all the answers and are developing their policies by trial and error.

They began with the premise that the only alternative to fundamental economic reform would be their regime's demise. Later, they came to realize that in order to transform the economy, they had to change society as a whole. The new leadership proceeded with a cultural thaw — something hardly affecting the everyday lives of most Soviet citizens or threatening the party rule. Then "glasnost" — openness — was extended to cover almost all aspects of the Soviet internal situation. Only Mr. Gorbachev

and his closest associates remain exempt from the media's criticism.

As for foreign policy coverage, the change has been far less dramatic. But even here there have been some tentative signs of movement. Western leaders, most notably Prime Minister Margaret Thatcher of Britain — have been allowed to appear on Soviet television, and Soviet newspapers have begun carrying articles and letters from readers questioning the wisdom of the SS-20 missile deployment in Europe, the propriety of the continuing jamming of foreign broadcasts and even the need for the Soviet Union to maintain strategic weapons parity with the United States in an era of nuclear overkill.

All these are welcome developments. But many of Mr. Gorbachev's subjects, exposed in the past to quite a few disillusionments, remain unsure how long they are going to last. As a leading actress, Alla Demidova, wrote in *Izvestia* recently, "We are afraid and suspicious of sharp turns" in official policies.

Mr. Gorbachev is in full control as a powerful chief executive. There is no evidence of any organized opposition to him. But the real tests of Mr. Gorbachev's ability to transform the Soviet Union still lie ahead.

A great deal of courage, vision, creativity and pure luck will be needed for him to turn a conservative Soviet society around. The General Secretary increasingly complains that while everybody publicly supports his "perestroika," far too many in practice opt for business-as-usual. His own policies are also filled with contradictions. He is talking simultaneously about enhancing cen-

No advance concessions, please.

tral planning and unleashing market forces, maintaining the welfare state and rewarding performance, putting an end to shortages without ending notorious price subsidies and, of course, democratizing the country without surrendering the Kremlin's monopoly of political power. His advisers admit that for reform to have a chance many of these contradictions must be resolved.

Certain unintended consequences of his reforms may also prove to be an obstacle. Democratization is hard to control. Up to now there have been only relatively minor incidents: riots in Alma-Ata when a Kazakh party picket in Leningrad to prevent the demolition of a historical building and demonstrations by hundreds of angry teenagers complaining about being harassed by the police in Moscow.

But what if people begin to demand far-reaching freedoms?

What if workers attempt to strike, or even to organize, as in Poland?

What if nationalist movements gain momentum in the Baltic countries and other ethnic republics? How would the Kremlin respond to such tough, yet inevitable challenges?

Mr. Gorbachev regularly states that he rejects Western political pluralism. Instead, he preaches about adding efficiency and a human face to the Soviet socialist model. There is no way to be sure whether such statements are primarily designed to serve as reassurance to the party faithful or reflect his genuine beliefs.

Perhaps, both. Still, the impression is that Mr. Gorbachev has no desire to preside over the emergence of a society that would impose limits on his

own ability to guide the country. What is the problem with Mr. Gorbachev's reforms from the Western standpoint?

It is not that they are a cosmetic deception to lure us into a false sense of security. There is nothing cosmetic about releasing hundreds of dissidents, granting thousands of additional exit visas and freeing the media and the arts from pervasive control. The shakeup is too profound and risky to be undertaken primarily for foreign consumption.

Nor is it a problem that Mr. Gorbachev moves cautiously and too slowly. A more daring performance would imply a Khrushchev-like recklessness dangerous to the General Secretary's political health. It very well may be that in the Soviet political context Mr. Gorbachev is the best possible leader the country could hope for.

The problem is that as long as the Soviet Union stays within that Leninist authoritarian political context, its progress cannot be an unqualified blessing for the United States.

The United States should neither wish for nor try to promote Mr. Gorbachev's failure. Despair in a nuclear-armed Soviet Union could make the world an extremely unsafe place. But so could Mr. Gorbachev's domestic triumph, unless it is coupled with a decline in Moscow's geopolitical ambitions as well as a decline in its willingness to rely on military force in pursuing them.

If the historical record is of any guidance, no important Russian reformer — not Ivan the Terrible, not Peter the Great, not Czar Alexander II, not Lenin, not Stalin, not Nikita S. Khrushchev — accepted anything but a short pause in Russian imperial assertiveness.

There is always room for a first time. Still, to bet on it in dealing with the formidable Soviet adversary would be a costly blunder.

Dimitri Simes is senior associate at the Carnegie Endowment for International Peace.

Americans Who Lobby for Japan

They're not working for the 'enemy,' they say; they're promoting free trade, helping everyone.

By CLYDE H. FARNSWORTH

WASHINGTON
THIS city's biggest growth industry is not high technology or real estate but high-powered lobbying for the Japanese.

Last week the lobbyists, who shun publicity but do some of their business in Washington's popular K Street, Du Pont Circle and Georgetown restaurants, were working overtime as Congress took up trade legislation and President Reagan welcomed Prime Minister Yasuhiro Nakasone.

The Japanese, according to Congressional aides, spent more than \$60 million last year for direct representation in their biggest market. That's four times the level in 1984. Japan's interests have become increasingly intertwined with America's. The United States consumes about a fifth of Japan's total production, and Japanese investment here has mushroomed. Many observers say the lobbying dollars have been well spent.

"Judging from results, I'd say it's certainly one of the most effective lobbies," said Representative Sander M. Levin, Democrat of Michigan. Even so, last week the House passed an amendment sponsored by Representative Richard A. Gephardt, Democrat of Missouri, that would direct American trade retaliation against countries that enjoy large surpluses with the United States.

Many of the lobbyists have occupied high positions in government and are useful not only for what they know and understand, but also for the access they provide to those now in power.

At latest count, 105 individuals and firms had registered under the Foreign Agents Registration Act as "agents" of Japan, nearly twice as many as the next closest country, Canada.

But that's not a full picture, says Joseph E. Clarkson, head of the Justice Department registration unit. Many lobbyists are exempt from registration requirements because they do simple legal representation, as opposed to direct lobbying, or are actually employed by exempted domestic affiliates of Japanese companies.

"Their main goal is to create a favorable image throughout the U.S. for Japan," said Mr. Clarkson.

In the present inflammatory trade atmosphere helping the Japanese may sound disloyal. But it is not that simple. Americans who help the Japanese say they are also helping Americans by providing cheaper goods, or even jobs — those who sell and service Japanese cars are, after all, Americans. The lobbyists, for the most part, see themselves as a vital part of the Japanese-American relationship — which Mike Mansfield, the United States ambassador in Tokyo, has called the "most important economic relationship in the world."

"It was like writing a letter to an uncle in Tokyo," said Richard J. Whalen, describing his efforts in the early 1970's to advise his first Japanese client on political and economic trends in Washington.

From that start Mr. Whalen, who had been a special assistant to President Nixon and a consultant to Secretary of State William P. Rogers, built a profitable lobbying business. His clients include the Japanese Embassy, the Japanese Ministry of International Trade and Industry and Toyota's domestic subsidiary, Toyota Motor Sales Inc.

His company, Worldwide Information Resources Ltd., occupies a plush suite of offices at 1717 K Street. He employs a staff of 10, including his wife, Joan.

"We've earned our money by trying to ward off the bad things that could have happened," he said. One thing that didn't happen, for which he takes some of the credit, was domestic content legislation, which would have required large portions of American labor and materials before foreign cars could be sold in the United States.

But Mr. Whalen, 51 years old, also earns his money advising Japanese — and other clients — on the financial impact of political trends. "We value his opinion, and depending on the advice we follow it," said Nagao Hyodo, minister for general affairs at the Embassy.

What does Mr. Whalen think about lobbying for the Japanese when the United States is running a huge trade deficit?

"I'm a free trader," he said, "who believes deeply that the U.S. market is regulated by the consumer. We are absolutely sure to injure ourselves if we go the protectionist route."

He had five kids in college and couldn't afford to go into government," said Bob Keefe, who went into the Japan lobbying business in 1976 after serving as deputy director of the Democratic National Committee under Robert S. Strauss.

Clients of the Keefe Company, which has its headquarters at 444 North Capitol Street, three blocks from the Capitol, include Toyota, Hitachi, the Nippon Telephone and Telegraph Company and the Ministry of International Trade and Industry.

Mr. Keefe also has domestic clients, including American companies seeking to expand operations in Japan, and works closely with Taiji Kohara, President of International Public Relations, a Tokyo consulting and public relations firm.

"The big difference between working for Americans and Japanese is that the Japanese pay more promptly," said Mr. Keefe.

"We tend with our Japanese clients to do an awful lot of trade policy analysis and less representation, although that varies. The Japanese tend to be extremely interested in information."

A brochure he gives clients says "Government business is information business," but adds "knowing the decision makers and how to make forceful presentations of the client's position is the hard work that successful representation requires."

A native of Indiana, Mr. Keefe, 52, came to Washington in 1960 as press secretary to Senator Vance Hartke.

He later served as an aide to two other Indiana legislators, Representative J. Edward Roush and Senator Birch Bayh and after a stint as an AFL-CIO consultant worked in the presidential campaign of Senator Hubert H. Humphrey.

Whatever it has done for the trading relationship of the world's two great economic powers, Mr. Keefe says that his efforts as a lobbyist at least succeeded in getting all his children through college. "The last one left two years ago."



Bob Keefe waits outside a Senate Appropriations Committee hearing.

TEN years ago, Stuart E. Eizenstat was head of President Jimmy Carter's domestic policy staff, reviewing prospective policy in the White House West Wing.

Now Mr. Eizenstat, who hangs his shingle a few blocks away at the law offices of Powell, Goldstein, Frazer & Murphy at 1110 Vermont Avenue, meets with House Foreign Affairs Committee staffers, State Department officials and others on behalf of Hitachi, the electronics and computer giant.

Partly through Mr. Eizenstat's lobbying efforts, Hitachi and other foreign electronics companies won an important victory in the House last month when Speaker Jim Wright agreed to remove from the House trade bill a provision imposing a one-year ban on the import of digital audio taping equipment.

"It would have been the first time that Congress banned a product on the basis of its technology and not on the basis of health or consumer effects," said Mr. Eizenstat.

Mr. Eizenstat, 44, makes no apologies for joining the lobbyists' ranks. "Lobbyists play an important role in assisting government to understand the implications of its actions," he said, citing a whimsical comment of Senator Patrick J. Leahy, Democrat of Vermont: "God love 'em. Without lobbyists we would have to decide how to vote on our own."

Stuart E. Eizenstat

Mr. Eizenstat, 44, makes no apologies for joining the lobbyists' ranks. "Lobbyists play an important role in assisting government to understand the implications of its actions," he said, citing a whimsical comment of Senator Patrick J. Leahy, Democrat of Vermont: "God love 'em. Without lobbyists we would have to decide how to vote on our own."



Robert M. McElwaine in the Capitol

"WE don't feel that we lobby for the Japanese. We lobby for 8,500 American businessmen," said Robert M. McElwaine, a former Hollywood press agent, who has been president of the American International Automobile Dealers Association for the past 17 years. The association's members sell \$30 billion of foreign cars a year, most of them Japanese.

"Congressmen and senators want to put us in the position of being apologists for Japanese trading policy," he said. "We have to fight our way out of that corner because we are defending American businesses."

Mr. McElwaine estimates that there are 250,000 Americans, earning \$4.5 billion annually, directly employed by the imported car industry.

Mr. McElwaine mobilized the powerful lobbying forces of the association against the so-called voluntary export restraints set by the Japanese as a result of American pressure in 1981.

Four years later Washington stopped insisting on quotas. But the Japanese industry, fearful of Congressional reprisals, maintained the controls anyway, albeit at higher levels.

Mr. McElwaine had argued that the restraints were not only pushing up prices of Japanese cars in the United States but triggering boosts in price levels by the Detroit carmakers.

He cited a Brookings Institution study by Robert W. Crandall reporting that quotas increased prices of Japanese cars by \$2,500 each and prices of domestic cars by as much as \$1,000 apiece.

Mr. McElwaine, who works out of an office employing 17 persons at 1128 16th Street, across Lafayette Park from the White House, got his auto dealership experience after serving in the Navy in World War II.

He invested Navy poker winnings and separation pay in a Nash agency in Culver City, Calif. Later he became director of corporate relations for Mercedes-Benz of North America.

The son of silent movie pioneer Don McElwaine, the auto dealer, who is 62, did a stint at the Gold-

wyn Studios, where he was a press agent for Errol Flynn and Danny Kaye. "That's really my chief claim to fame," he said.

GLOBAL USA, Inc., which takes in more than \$1 million a year in lobbying fees, is probably the biggest of the Japanese lobbying firms. Operating out of a townhouse at 1823 Jefferson Place in downtown Washington that also houses a popular Italian restaurant called Trattu, Global represents many of Japan's blue chip companies, including Komatsu, a tractor maker, Hitachi, All Nippon Airways, machine tool builders Fanuc and Yamazaki-Mazak, and Kyocera, a ceramics concern.

The company was founded four years ago by Stanton D. Anderson, who had been a State Department official in the Nixon administration, and William E. Timmons, chief Congressional lobbyist in the Nixon White House.

Global, in fact, is a kind of a Republican alumni association, and it isn't shy about selling this feature to prospective clients. Its brochure boasts that its "officers, directors, consultants and staff have served in high levels at the White House, in government domestic and foreign policy positions."

Other former officials associated with the company include William H. Morris Jr., a former senior Commerce Department official who is Global's President and chief executive, John M. Nugent, an Energy Department official during the Ford Administration, and Dr. Bo Denysyk, formerly head of the export control unit at Commerce.

Like other lobbying concerns, Global does more than try to help clients sell their goods here. Through Dr. Denysyk's services Global guides Hitachi, which has three plants in this country, through the labyrinth of Commerce Department export controls. And when Komatsu was looking for a place to open a new tractor plant, Global helped it settle on Chattanooga. "We told them about the great state of Tennessee," said Mr. Morris, 57, who himself hails from Jackson, Tenn.

Global also helps American companies sell in Japan and other countries, Mr. Morris said.

THE sharp reaction in Tokyo to recent White House-ordered trade sanctions in computer chips, says H. William Tanaka, chief lobbyist for the Japanese microchip industry, reflects Japan's "insular mentality and its inability to become sensitized to American legal concerns."

Born in Los Angeles to Japanese parents, Mr. Tanaka, who is fluent in Japanese and served in the Office of Strategic Services during World War II, is among the minority of lobbyists who have not entered the business through the so-called revolving door — from a senior government position.

Mr. Tanaka, 63, is an elder statesman of lobbying, having represented the Electronic Industries Association of Japan, the Japanese Automobile Manufacturers Association and the Japan Tire Manufacturers Association for nearly 20 years.

Operating from a suite of offices at 1919 Pennsylvania Avenue, about four blocks from the White House, his law firm, Tanaka Ritger & Middleton, employs a staff of 20, including a macroeconomist, a microeconomist and a political analyst.

The wide professional reach underscores his view that a lobbyist is "really an educator."

"I see my function in explaining how the political dynamic works in Washington to the Japanese and the dynamic in Japan to the Americans so that both governments will deal with each other less out of ignorance than understanding."

In the present superheated atmosphere, Mr. Tanaka says it's counterproductive for a lobbyist to try to influence government trade decisions.

"Generally, I try to stay out of inter-governmental discussions," he said. "When issues get freighted with so much emotion and politics a so-called lobbyist is less efficient."

He says he is happiest doing nuts-and-bolts legal work for Japanese companies, such as Minibea, which makes ball bearings.

Minibea recently bought the New Hampshire Ball Bearing Company of Peterboro, N.H., but faced possible antitrust challenges from the Justice Department. And the purchase caused some concern at the Pentagon, since it was the buyer of more than half of the output of New Hampshire Ball Bearings.

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The Economy

WEEK IN BUSINESS

A strong trade bill was passed by the House with enough votes to override the Presidential veto that is certain to come if the bill makes it to the White House. Included in the omnibus legislation was an amendment sponsored by Richard A. Gephardt, a Missouri Democrat, that requires the President to retaliate against nations with the biggest trade surpluses with the United States, if it is determined that the surplus was a result of unfair trade practices. Mr. Gephardt had tried repeatedly in the past to get his amendment attached to the trade bill. Its success is probably short-lived, however, since the Senate is not likely to enact such tough legislation and the House would probably agree to modify its bill in a compromise.

Mr. Gephardt's amendment — indeed, most of the trade bill — was aimed primarily at Japan, which, in the view of many in Congress, has taken insufficient action to ease the problem. Yet the United States appears willing to reward appropriate behavior: Administration officials say sanctions imposed on Japan because of its semiconductor policies could be lifted soon if Japan indicated a sincere desire to cooperate.

Japan tried hard to relieve some of the tensions. In Washington on an official visit, Prime Minister Yasuhiro Nakasone announced that Japanese banks would cut interest rates in an effort to spur the Japanese economy and make it a bigger market for foreign goods. That effort, coordinated with an increase in interest rates in the United States, is part of a concerted effort to cut Japan's huge trade surplus with the United States — \$52 billion in the latest fiscal year.

The Fed has tightened its monetary policy, the chairman, Paul A. Volcker, acknowledged, in part to help the trade situation and the dollar. But the less "accommodative" policy apparently does not include an increase in the discount rate. Such an increase, many economists fear, would spark inflation and slow the economy even further. But banks raised the prime rate, to 8 percent, from 7.75 percent, the second rise in five weeks.

The dollar and bond prices gyrated on the effects of Mr. Nakasone's actions and Mr. Volcker's statement on a tighter monetary policy, both of which make American investments more attractive. They also reacted to the trade bill and the prime rate increase, which are more negative factors. Bond prices finished above their bearish recent levels. Stocks gained through most of the week. The Dow Jones industrial average finished at 2,280.40, up 45.03 for the week.

Factory orders jumped 2.3 percent in March, the second consecutive month of robust growth. But, again, the gain came largely in the military segment, which is notoriously volatile. ... Leading indicators rose four-tenths of 1 percent in March, the fifth increase in six months. ... Sales of new homes fell 3.6 percent in March, continuing a seesaw pattern. ... Spending on new construction fell 1.3 percent in March.

Merrill Lynch lost \$250 million in April because of what it called unauthorized trading by senior officials.

Factory Orders +2.3% in March

The New York Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED MAY 1, 1987

Company	Sales	Last	Net Chng
Std Oil	18,387,500	74	+ 2 1/4
Texaco	17,849,800	34 1/2	+ 3 1/4
IBM	15,150,900	160 1/2	+ 8 1/2
South Co	12,074,700	23 1/2	+ 3/4
Ford M	10,293,200	98	+16 1/2
AT&T	8,709,600	24 1/2	...
U Carb	8,499,200	29 1/2	+ 2 1/2
G Mot	8,364,300	91 1/2	+ 5 1/2
Chrys	7,853,700	36 1/2	+ 2 1/2
Boeing	7,412,500	48 1/2	- 2 1/2
AMD	7,300,000	22 1/2	+ 1 1/2
Compaq	6,834,700	35 1/2	+ 2 1/2
Exxon	6,840,600	85 1/2	- 3/4
Phi Pet	6,806,300	14 1/2	- 1/4
Borg Wa	6,516,800	47 1/2	- 1 1/4

MARKET DIARY Last Week Prev. Week

Advances	1,101	615
Declines	860	1,349
Total Issues	2,157	2,172
New Highs	85	81
New Lows	132	97

VOLUME Last Week Year To Date

Total Sales	919,582,570	15,582,325,898
Same Per. 1986	56,444,450	1,148,313,505

WEEK'S MARKET AVERAGES: High Low Last Change

New York Stock Exchange	198.8	189.3	197.8	+4.07
Indust	137.3	132.2	136.3	+1.62
Transp	72.8	69.7	72.1	+1.42
Finance	148.5	143.2	147.8	+2.86
Composite	163.6	158.4	162.6	+3.27



Richard A. Gephardt

and it dismissed two traders. The trading was in mortgage-backed bonds, which have fallen sharply in recent weeks. Other firms have also posted losses.

The Fed approved the applications of Citicorp, Bankers Trust and J.P. Morgan to underwrite securities including mortgage-backed securities and commercial paper. The Securities Industry Association sued to block the expansion, however.

British Petroleum and Standard Oil agreed on a deal that would give B.P. the 45 percent of Standard that it does not already own for \$7.82 billion.

Ford earned \$1.49 billion in the first quarter, more than double its earnings in the 1986 quarter and far better than most analysts had expected. The rise was attributed to cost-cutting efforts and the popularity of many of Ford's new cars and trucks. ... Chrysler's net fell 34.4 percent, to \$269.7 million, largely because of incentive programs and retooling.

Texaco's net fell 64 percent, to \$118 million, and Pennzoil earned \$12.1 million, compared with a \$16.1 million loss. Pennzoil is among the 26 Texaco creditors that have been placed on committees to monitor its bankruptcy proceedings.

GAF withdrew its bid for Borg-Warner, in the face of a \$4.23 billion bid by Merrill Lynch Capital Partners. Although GAF will realize a profit of nearly \$200 million, traders expected it to put up more of a fight.

Bonwit Teller is being sold to Hooker, a big Australian developer, for \$101 million. Bonwit's parent is Allied Stores, which was sold to Campeau of Canada last year, and the sale is seen as a cash-raising move.

Brazil has a new finance minister. Luiz Carlos Bresser Pereira was named to succeed Dilon Funaro, whose policies in dealing with the nation's debt crisis had come under sharp criticism. Mr. Bresser Pereira is viewed as a more conciliatory negotiator than Mr. Funaro.

United States contributions to the Inter-American Development Bank were sharply curtailed by Treasury Secretary James A. Baker 3d because the bank would not give the United States strict control. Mr. Baker's policies for aiding the world economy have come under heavy fire in recent weeks, including in an O.E.C.D. report that said they would have little effect on world growth.

The American Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED MAY 1, 1987

Company	Sales	Last	Net Chng
Wang B	4,504,500	17 1/2	+ 1
HomeShop	3,150,200	16 1/2	+ 2 1/2
Conqst	3,024,400	5 1/2	...
Wicks	2,962,500	3 1/2	- 1/4
DomeP	1,829,300	1 1/2	- 1/4
Amdahl	1,774,000	40 1/2	+ 3 1/2
WDgt	1,741,800	29 1/2	+ 3 1/2
Lor Tel	1,707,000	14	- 1 1/2
Echo Bay	1,617,100	41	- 1 1/2
Fruttl	1,462,000	7	- 3/4

MARKET DIARY Last Week Prev. Week

Advances	374	269
Declined	432	515
Unchanged	136	157
Total Issues	942	941
New Highs	39	41
New Lows	76	56

VOLUME Last Week Year To Date

Total Sales	62,737,445	1,252,057,050
Same Per. 1986	56,444,450	1,148,313,505

Let the games begin

By JACK LEON
TEL AVIV. — The 13th Hapoel Games get under way today in nine of the 22 sports to be contested across the country over the next week. A record 39 countries will be represented by nearly 2,000 men and women at the festive quadrennial gathering, with some 1,500 of them coming from abroad.

Among the nine sports beginning today are cycling, badminton, gymnastics, table tennis, water polo, and archery.

Track and field and swimming — the traditional showpieces of the games — are due to start tomorrow and Thursday respectively. In spite of the disappointing withdrawal of star athletes Sebastian Coe, Calvin Smith and Harvey Gole, as well as swimmer Michael Gross, much exciting competition is promised at



both the Hadar Yosef Stadium here and the Tel Aviv University pool. For tennis fans, a big letdown is the cancellation of the scheduled two-day exhibition series at Ramat Hasharon involving leading foreign pros and top local rackets. Plans to bring over Boris

Becker and Pat Cash fell through and efforts to replace them with two more top-class overseas players were also unsuccessful.

Tennis is one of the four CISRT (International Workers' Sports Association) championships being contested at the games, the others being basketball, gymnastics and handball. Six hundred of the athletes from abroad are taking part in these championships, which are taking place concurrently with the rest of the international competition held on an unofficial basis.

Sportsmen from Hungary, Poland and Romania are all participating in the gathering, the first time since 1966 that all three East European countries have been represented at the most.

Black African athletes have come from Kenya, Liberia and, for the first time, Cameroon. However, South Africa is excluded. "This ban is both because of international regulations pertaining to South African sportsmen and to show in a practical way our attitude of apartheid," said Hapoel secretary-general Yitzhak Osh, who is also chairman of the games organizing committee.

The Hapoel Games spokesman Yitzhak Aizen revealed that friendly negotiations took place with Egypt and Morocco regarding their participation in the meet, but these met with no success.

TENNIS India stalling on Davis Cup venue

By JACK LEON
TEL AVIV. — With the consent of the International Tennis Federation, the All India Lawn Tennis Association has put off for nearly a month a decision regarding the venue of India's Davis Cup home tie against Israel, scheduled for July 24 to 26.

Israel Tennis Association chairman David Harnik told me yesterday that, according to Davis Cup regulations, the Indians were obliged to announce the venue for the World Group quarter-final match against Israel not later than one month after the completion of the group's first-round ties — this date in fact fell on April 15.

However, the London-based ITF organizers of the annual competition had acceded to India's request to postpone a decision for a while. Thomas Hallberg, the ITF's director of men's tennis, has given them until May 10 to decide on the venue of the tie.

In a bid to overcome the Indian Government's restrictions on sporting contacts with Israel, Harnik offered to hold the match on a neutral venue. He in fact did so, immediately following Israel's shock first-round away victory in March against Czechoslovakia, seeded third in the 16-nation World Group.

"We should get a reply from the Indians via the ITF any day now," Harnik commented. He stressed that "visa or no visa, Israel wants to play against India and not perhaps go through by default." The winners of the tie are away to either Australia or Mexico in the semi-final.

Under Davis Cup rules, India could be suspended from the competition for up to three years and face a \$10,000 fine if they fail to face Israel. In 1974, the Indians refused to meet South Africa in the final, preferring instead to forfeit the match.

In March, India refused visas for Israel's team for the World Table Tennis Championships in New Delhi. Now, over the weekend, the Indian side made a last-minute withdrawal from the 13th Hapoel Games, without citing a reason. They were to have been represented in badminton by three members of the Daniel family — all of whom won medals at the 1985 All-India Games. Hapoel's Yitzhak Aizen informed me. This would have been India's first appearance at the Hapoel gathering.

Both the Indian Tennis Association and the country's veteran Davis Cup player Vijay Amarnath have said they hope to persuade their government to allow the tie against Israel to go ahead as scheduled. The charming Amarnath won many friends here when he participated in the 1985 Grand Prix at Ramat Hasharon.

Colourful opening to Games

By PAUL KOHN
RAMAT GAN. — President Chaim Herzog last night opened the 13th Hapoel Games after an exceptionally colourful, graceful and festive Opening Ceremony that delighted the 45,000 spectators who filled the Ramat Gan Stadium.

The accent was on Art of Movement that went off without a hitch and provided a fitting climax to Israel's 39th Independence Day events.

The speed and precision and sheer beauty of the folk dancing, mass calisthenics and gymnastics performed by thousands of superbly drilled youth last night overshadowed the march past of some 1,600 sportsmen from 33 countries. Theirs was a casual, good-humoured parade around the stadium track and before the VIP stand where the President, Acting Premier Shimon Peres, ministers, MKs, diplomats, Histadrut and sports leaders from home and abroad gathered to clap and wave to them.

An elegant tone was set to the proceedings with the early arrival of Education Minister Yitzhak Navon with his wife Ophira. She wore a stunning white and black suit, matched only with the arrival of the First Lady, Aura Herzog, also in an extremely smart white and black suit. The President was received by Histadrut Secretary General MK Israel Kessar and Yitzhak Osh, chairman of the Hapoel Games.

The mass singing of the Hatikva introduced an emotional surge.

An hour of varied rhythmic and tasteful performances in a kaleidoscope of colours followed. The boys and girls used two-metre-high rings, balloons and tents, or just their bodies, to produce the patterns on the centre of the stadium's field. To one side were troupes of folk dancers who too added their array of colours and grace in movement.

A Danish youth troupe did breathtaking somersaults and headstands to the music from the film "Grease," before being swallowed up by a variegated moving dragon. That was followed by 5,000 balloons that were set into the night sky.

The one-man El Salvador contingent opened the parade of athletes. The Scandinavian contingents clearly took pride of place with their smartness, with the blonde Finnish girls in a 25-strong group stealing the show for sheer beauty. The Dutch in light blue also caught the eye. The French, West German and Belgian delegations were the largest, with the English clad most conservatively in flannels and blue blazers. The crowd gave an especially "arm hand" to the Hungarians, at the Hapoel Games for the first time since 1966, and the impressive lanky Poles. All the sportsmen in a large Swiss contingent waved Israeli flags.

Ester Roth, Israel's former Olympic sprinter and hurdler, was chosen to lap the stadium before lighting the Flame of the Games high above the stands.

It was one of the most splendidly organised and vivid ceremonies ever staged in Israel.

BASEBALL

For Expos — when it rains, it pours

NEW YORK (AP). — Tim Lincecum, playing in his first game one day after re-signing with Montreal, hit a 10th-inning grand slam that gave the Expos an 11-7 come-from-behind victory over the New York Mets, a

AMERICAN LEAGUE EAST			
Team	W	L	Pct
Milwaukee	39	4	.903
Toronto	15	8	.652
NY Yankees	15	9	.625
Boston	10	15	.400
Baltimore	9	15	.375
Chicago	9	15	.375
Cleveland	9	16	.360

NATIONAL LEAGUE EAST			
Team	W	L	Pct
St. Louis	17	8	.680
Chicago	13	10	.565
New York	12	11	.522
Pittsburgh	10	11	.476
Montreal	10	13	.435
Philadelphia	8	15	.348

WESTERN DIVISION			
Team	W	L	Pct
Minnesota	14	10	.583
California	14	12	.538
Seattle	13	13	.500
Kansas City	11	11	.500
Oakland	12	14	.462
Chicago	9	12	.429
Texas	8	14	.364

WESTERN DIVISION			
Team	W	L	Pct
Cincinnati	17	8	.680
San Francisco	16	9	.640
Houston	13	11	.542
Los Angeles	13	12	.520
Atlanta	11	13	.458
San Diego	6	20	.231

Sunday's Games: Toronto 3, Texas 1; Chicago 4, Baltimore 3; Minnesota 4, New York 3; Kansas City 2, Cleveland 1; Oakland 2, Detroit 3; California 11, Boston 4; Seattle 7, Milwaukee 3.

Sunday's Games: Cincinnati 9, Philadelphia 6; Atlanta 5, Houston 3; Montreal 2, New York Mets 4; Chicago 4, San Diego 2; San Francisco 6, Pittsburgh 3; St. Louis 9, Los Angeles 4; San Francisco 6, Los Angeles 4.

including a two-run homer, in leading the Phillies to an 8-3 victory over the Cincinnati Reds in Philadelphia.

Graig Nettles hit a pinch-hit Grand Slam to highlight a five-run sixth inning and Dion James hit one in the seventh as the Atlanta Braves crushed the Houston Astros 12-4.

Elsewhere in the NL, it was Dodgers 7, Cardinals 4; Pirates 1, Giants 9; Cubs 7, Padres 4.

In the American League, Frank Wills walked Bo Jackson with the bases loaded in the eighth inning to

force in Kevin Seitzer with the winning run as the Kansas City Royals defeated Cleveland 5-4. Bret Saberhagen, 5-0, became the AL's first five-game winner.

Home runs by Ron Kittle, Willie Randolph and Dave Winfield helped 43-year-old left-hander Tommy John to his 266th career victory as the Yankees defeated Minnesota 6-4.

Elsewhere, it was White Sox 7, Orioles 3; Blue Jays 9, Rangers 8; Athletics 3, Tigers 2; Brewers 6, Mariners 4.



BLASTER. — Tim Raines

catapulted the weekend National League baseball action.

Mike Schmidt, honoured before the game for hitting his 500th career home run last month, had three hits,

Lendl, Chris win comfortably

HAMBURG. (REUTERS) — World number one Ivan Lendl of Czechoslovakia won his first tennis title of the year almost without breaking sweat against his jaded compatriot

Miloslav Mecir in the West German Open final. Lendl won 6-1, 6-3, 6-3. Top seeded Chris Evert won her 15th career title when she beat fourth seeded fellow-American Kate Gomer 6-3, 6-2 in the final of the \$150,000 L'Oréal Women's Open.

MOTOR RACING. — Nigel Mansell of Britain raced to a convincing win at the San Marino Grand Prix and replaced world driver's champion Alain Prost as leader in the battle for the 1987 title.

HORSE RACING. — Alysheba, ridden by Chris McCarron and trained by Jack Van Berg, won the 118th Kentucky Derby at Churchill Downs on Saturday.

SNOOKER. — Englishman Steve Davis won his fourth frames of claiming his fourth world professional snooker championship after taking a 14-10 lead over fellow-Englishman Joe Johnson last night.

GOLF. — Britain's Sam Torrance, who led all the way from a first round record 64, beat Spain's Jose Rivera at the sixth hole of a playoff for the Italian Open golf title on Sunday.

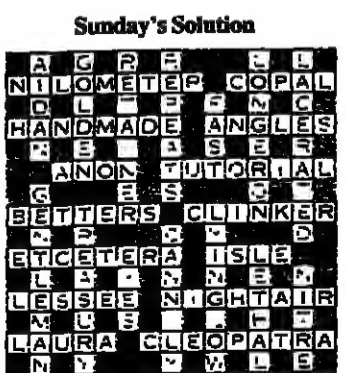
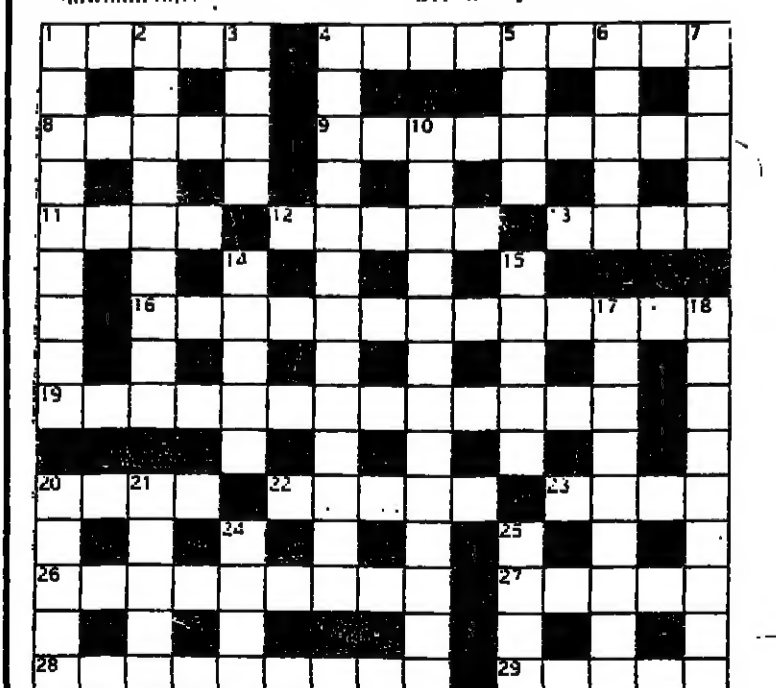


CROSSWORD

ACROSS
1 Inform a lovely young lady (5)
4 Hurry up and finish cleaning the shoes (6,3)
8 He is called on for army service (5)
9 Could be a novel way to suggest the SOGAT dispute is over (9)
11 Where Ireland has its heart (4)
12 Even when turned over it is even (5)
13 A noble look (4)
16 His and runs according to the accepted code (4,5,6)
19 True time going straight downhill (6,7)

20 A small grand child (4)
22 Herb Spence the architect (5)
23 Work until 1.50 (4)
26 Easy weight for an ass (9)
27 Middle Eastern terrorist group with intelligence backing (5)
28 Inexpensive grub on a day excursion (5,4)
29 Fourteen pounds for a gem (5)

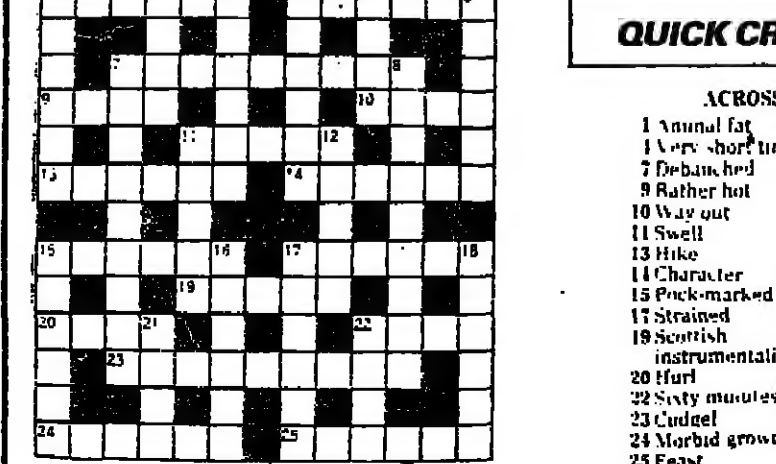
DOWN
1 Father has the best performance in the hit parade (5,6)
2 Stipulate a condition to supply a jockey (3,1,5)
3 A shoddy job (4)



QUICK SOLUTION

ACROSS: 1. Hebert, 3. Brake, 8. Music, 9. Carrels, 10. Speedwell, 12. Eve, 13. Examine, 14. Behind, 17. Pat, 18. Guarantee, 20. Retract, 21. Inner, 23. Dares, 24. Drawer. DOWN: 1. Lumpy, 2. Gay, 3. I studios, 4. Ficked, 5. Beryl, 6. Vichemist, 7. East End, 11. Escalator, 13. Exposed, 15. Examine, 16. Parted, 18. Glass, 19. Error, 22. Gas.

QUICK CROSSWORD



ACROSS
1 Annual fat
1 Very short time
7 Debutant
8 Rather hot
10 Way out
11 Swell
13 Hike
14 Character
15 Puckmarked
18 Strained
19 Scottish instrumentalist
20 Hurl
22 Sixty minutes
23 Cuddel
24 Morbid growth
25 Feast

DOWN
1 Beer manufacturer
2 Save
3 Saver
4 Slender
5 Dumb
6 Idle gossip
7 Playwright
8 Trip
9 Slip
10 Slumber
12 Keen
13 Parcel
16 Main meal
17 Fire up
18 Manate
21 Threesome
22 Large ring

GENERAL ASSISTANCE EMERGENCY PHARMACIES

Jerusalem: Kupat Holim Leumi, 1 Hagit, 224173; Solem, 244442; Edlin, 22215; Shu'af, Shu'af Road, 810108; Dar Aladwa, Herod's Gate, 282058.

Tel Aviv: Hakira, 18 Ibn Givoli, 264650; Hakira, 18 Ibn Givoli, 264650; Hakira, 18 Ibn Givoli, 264650; Hakira, 18 Ibn Givoli, 264650.

Netanya: Hanesel, 36 Sderot Weizmann, 22635.

Kiryat Haifa: Herman, Simat Modi'in, Kiryat Modi'in, 715135.

Haifa: Neve She'an, 37 Hatichon, Neve She'an, 226530.

DUTY HOSPITALS

Jerusalem: Hadassah Ein Kerem (pediatrics, orthopedics, ophthalmology, ENT), Bikur Holim (internal, obstetrics), Sheari Zedek (surgery).

Tel Aviv: Rokeh (pediatrics), Ichilov (internal, surgery), Netanya: Laniado.

POLICE 100

Dial 100 in most parts of the country. In Tiberias dial 924444, Kiryat Shmona 4444.

FIRE 102

In emergencies dial 102. Otherwise, dial number of your local station as given in the front of the phone directory.

FLIGHTS

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Bat Yam *911111 Kiryat Shmona *4334
Beer Sheva 74767 Nahariya *923333
Carmel *988555 Netanya *23333
Dan Region *781111 Petah Tikva *923111
Elar 72333 Rehovot *41333
Haifa 22333 Rishon LeZion 94222
Haifa *512233 Safed 30333
Hatzor 36333 Tel Aviv *240111
Holon 801333 Tiberias *90111

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Eran* — Emotional First Aid, Tel. Jerusalem 227171, Tel Aviv 211111 (children) youth 03-26113, Haifa 672222, Beer Sheva 418111, Netanya 35316, Carmel and the north 04-88410.
Rape Crisis Centre (24 hours), for help call Tel Aviv, 234618, Jerusalem — 245554, and Haifa 353511.
The National Poison Control Centre at Rambam Hospital, phone (04) 529205, for emergency calls, 24 hours a day, for information in case of poisoning.
Kupat Holim Information Centre Tel. 03-433300, 433500 Sunday-Thursday, 8 a.m. to 8 p.m. Friday 8 a.m. to 3 p.m.

LONDON (AFF). — Pat van den Hauwe, the Belgian-born Wales defender, sealed Everton's ninth English league title yesterday.

The left back blasted home a loose ball at a corner after just 55 seconds of the game at Norwich to earn the Merseyside club a 1-0 win and their second championship in three seasons.

It puts them beyond the reach of Liverpool and made amends for last season's massive disappointment, when they were runners-up to their Merseyside neighbours in both the league and FA Cup.

Liverpool are now left with nothing in Ian Rush's final season before his departure for Italian giants Juventus. But the lethal Welsh marksman bade his fans a fond farewell in his last Anfield appearance, netting his 38th goal in the campaign to enable Liverpool to beat Watford by a lone goal.

Catastrophically, it was on the same Monday Bank holiday that Everton lost the title. Team manager Howard Kendall said the time meant more than in 1985. "When you all back and look what happened, it's a greater achievement than two years ago."

"We had many guests at the start of the season with key players injured. It's a commitment to everyone who was asked to put on a blue shirt."

It was the 15th time in 25 years that the title had gone to one of the two big Merseyside clubs and Kendall said he aimed to keep the trophy in the north-west.

"We've got a lot of ground to make up on the number of titles Liverpool have won it," he said.

A big crowd turned up at White Hart Lane to bid farewell to England midfielder Glenn Hoddle, idol of the Tottenham Hotspur fans and

FOND FAREWELL. — Ian Rush

Second division Portsmouth, virtually certain to be promoted for the first time in 25 years because of a strong goal difference, failed in their bid to secure the one point that would have made absolutely sure.

Despite the vocal backing of 10,000 travelling fans, Portsmouth went down 1-0 at Crystal Palace, the goal coming just three minutes from and from substitute John Salako.

The result kept alive Palace's first division hopes, maintaining the London Club's chance of a place in the end-of-season playoffs. Leeds and Ipswich also kept their playoff hopes intact.

In Italy, Napoli were held to a 1-1 draw in Cune Scarpiglia in a match of evocative quality. The home side, showing little respect for the visitors' reputation, piled on the pressure and opened the score on the hour through Salvatore Giustini after a bad mix-up in the Napoli defence.

Napoli can now clinch the title if they win at home to Fiorentina next weekend. Inter Milan, Napoli's closest rival, slumped badly and they crashed at Ascoli to a Dromoneo Apollonio goal.

Despite the Pope's visit to Munich, forcing the postponement until May 12 of Bayern's scheduled game against Eintracht Frankfurt, Hamburg failed to take full advantage. Four points behind at Ascoli in a Dromoneo Apollonio goal, Hamburg could only cut the deficit by one point after being held to a 1-1 draw at Stuttgart.

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U.S. order will be largest ever

IAI to get \$100m. contract

By WOLF BLITZER

WASHINGTON - Israel is about to win its largest-ever defence contract from the Pentagon, U.S. sources said yesterday.

They said that the approximately \$100 million contract involves the development of a new anti-tactical ballistic missile (ATBM).

Israel Aircraft Industries (IAI) and some other, smaller Israeli companies will be the main contractors for what is officially called the "Arrow" project.

A formal U.S. announcement is expected in the coming days, now that key members of the Senate and House Armed Services Committees and high Pentagon officials have orally approved the project.

Early last month, IAI held a very

successful demonstration of its new ATBM technology at a U.S. military base at Huntsville, Alabama. It was that test which clearly played a major role in influencing the U.S. officials to approve the Israeli contract.

Israel has been moving ahead with its own ATBM technology, largely to try to counter the threat posed by Soviet-made SS-21 and other ground-to-ground missiles in Syria. The ATBM is designed to shoot down incoming ground-to-ground missiles.

U.S. sources said the contract would represent a major breakthrough in U.S.-Israeli military cooperation. They noted that this was the largest single U.S. defence contract with Israel in history. They also said the deal underscores the

more advanced level of strategic cooperation between the U.S. and Israel. Finally, the deal involves the latest defence technology of the Strategic Defence Initiative, or Star Wars programme, he added.

The U.S.-Israeli cooperation in the ATBM programme is an outgrowth of the Reagan administration's invitation two years ago to Israel to participate in the research and development of the Star Wars project.

U.S. and Israeli officials refused to discuss the exact nature of the ATBM technology developed by Israel. But they agreed that the U.S. and other Western countries were anxious to use that technology themselves - if it is successfully developed.

Nakasone faces troubles

MAKANA, Hawaii (Reuters) - Japanese Prime Minister Yasuhiro Nakasone sang love songs before heading home yesterday to face expected strong parliamentary opposition to his plans to stimulate the economy, members of his party said.

Nakasone, 68, forgot his problems for the moment when he performed a hula dance and sang two love songs at the private garden party at the luxurious Maui Prince Hotel over the weekend, hotel officials said.

During his two days of talks with President Reagan and other U.S. officials in Washington, the prime minister promised to seek measures to stimulate the Japanese economy as a way of reducing trade tensions between the two countries. The two leaders also concurred on the need to halt the dollar's slide against the yen, and to foster stable world exchange rates.

With the trade gap between the U.S. and Japan last year reaching

\$58.6 billion in Japan's favour the reforms would encourage the Japanese to spend more and so possibly proved a bigger market for U.S. goods.

Nakasone has been criticized in Japan for advocating a five per cent value-added sales tax. Members of his party said the prime minister is also prepared for strong parliamentary opposition to his international trade measures, expected to include lifting barriers to foreign goods.

Nakasone failed in the prime purpose of his visit to persuade Reagan to lift immediately \$300 million worth of tariffs imposed last month on Japanese medium-sized colour television sets, power tools, and small personal computers.

The tariffs were in retaliation for Japan's alleged failure to enforce an agreement with the U.S. to limit the sale of semi-conductors and computer memory microchips, to other countries at below-cost prices.

EBAN

(Continued from Page One)

Peres's efforts during the past two years to get the U.S. involved, including attempts to promote a visit to the region by U.S. Secretary of State George Shultz, all failed, and for various reasons, says Eban. "In fact, when Peres began advocating an international conference, all he got from Washington was jets of cold water - which delighted the Likud."

Now, says Eban, the U.S. is not only "prepared to approve," but supports and sponsors an international conference on terms congenial to Israel. This gives the peace process a concrete sense of reality that it didn't have before. It moves the situation out of rhetoric into diplomacy.

Eban feels sure that the party will go along with Peres when it comes to the crunch, despite misgivings about

going to early elections. "The part will go with the attempt to make peace," Eban says.

"It is preferable to go to an international conference without elections. But if Shamir opposes the conference, and there is no choice, the party will opt for elections. The alternative to elections will be a deadlock - for Labour, a humiliating deadlock, because it holds the foreign policy portfolio. If in foreign policy, meaning the peace process, it can make no progress, then what is it doing in the government?"

Eban agrees that going to elections involves, for Labour, an "element of calculated risk. But even worse, the worst possible situation, is a continuation of the status quo. I have a tragic view of the situation. Without forward movement, there will be more tension, more terrorism, an increased possibility of war."

The real difference between the Likud and Labour over the international conference issue is "not really about procedures but about the status quo (and the territories), about what kind of Israel there will be if we can't disengage."

CURRENCY MARKETS

Summit brings dollar to new nadir

The currency markets focused on the Reagan-Nakasone summit last week, evidently judging it an overall failure by virtue of the fact that the dollar ended the week lower. Indeed, it reached a three-month low against the Deutschmark.

The extent of the trade friction, which had prompted the meeting between the American president and the Japanese premier in the first place, was evidenced by the U.S. House of Representatives trade bill. Approved while Yasuhiro Nakasone was visiting, the bill would mandate quotas and tariffs on trade partners whose surpluses with the U.S. grow too wide.

Despite the pressure of the House bill, the U.S. and Japan could only come to an agreement on interest rate policy, namely to widen the

differential between the yen and dollar rates. Volcker confirmed that the Fed and federal monetary policy slightly in order to defend the dollar, and Nakasone promised to bring Japanese interest rates lower.

However, both the Japanese central bank had commercial banks denied any intention to lower rates. It is also uncertain whether the Fed is ready to raise the discount rate in order to support the dollar. As the market regards the trade problem, which shows no signs of receding, as the most important issue, the bearish sentiment towards the U.S. currency is well established.

The pound sterling reached new highs against the dollar despite Bank of England selling of pounds. The strong demand for the British currency was little affected by a

half-point cut in base lending rates.

The dollar should decline further as a new wave of selling emerged after the inconclusive results of the U.S.-Japan talks. The quick short-covering approach before the start of the talks enabled operators to again take positions against the U.S. currency, once the results were published.

However, the yen should strengthen moderately compared with other currencies, as the Bank of Japan may intervene in the open market.

All currencies now have a potential to appreciate 3-6 per cent against the dollar. The Canadian dollar will remain on the sidelines undermined by higher U.S. interest rates. The column appears courtesy of Boaz Barak Advisory Services.

BANKING ON IT / Pinhas Landau

Of interest

The time has come to review some trends in interest rates at home and abroad, and see what, if any, conclusions may be drawn from them.

Beginning on the home front, we have had a major reduction in rates during March and especially April, culminating in the sharp drop that went into effect at the beginning of this month.

The prime rate has now come to rest at 21 per cent. (All rates mentioned in this article are per annum, as is normal in normal countries. Israel we can hope has left behind the days of interest rates measured per month and even per day.) The chances are that after the ups and downs in interest rates in recent months, this level will hold for at least the next month.

The rationale for this bold prediction is that the April consumer price index is expected to be unusually high, compared with other recent indices, so that no hasty conclusions will be drawn from it. It is unlikely that any further moves, in either direction, will be made until the trend of inflation in May-June is reasonably clear-cut.

In any event, based on a 21 per cent prime rate, we have the following line up of borrowing rates:

LEUMI: The Zechu Yeter current accounts now operate a two-line overdraft facility, depending on the customer and his needs and worth. The first line facility, with a maximum overdraft of NIS 1,700, costs 36 per cent, while the second-line, NIS 5,000 maximum costs 42 per cent for those who want and need it.

If the consumer price index does indeed run at 1-1.5 per cent monthly rate during the summer, then the real cost of credit for consumers is going to be extremely high.

Withdrawals beyond the allotted line of credit - if they are allowed at all - will cost an additional 12 per cent beyond the rate pertaining to the authorised limit, i.e. 48 or 54 per cent.

Visa credit, for those who use their revolving credit facility on their Visa cards, now costs 42 per cent.

Fixed interest rate loans available for sums up to NIS 25,000 now cost 40-44 per cent.

HAPOALIM: The bank's Super Current Account facilities for private customers has a new scale of interest rates as follows:

- Up to NIS 500 - 32.1 per cent.
- Up to NIS 2000 (i.e. customers who ask for a limit of that amount) - 32.4 per cent.
- Up to NIS 3,000 - 38.4 per cent.

Authorized overdrafts from NIS 3,000 to NIS 150,000 will cost at least 44.4 per cent, and possibly more on large sums, depending on each customer's agreement with his branch.

Excess interest on amounts beyond a customer's authorized limit will cost almost 16 per cent (15.96 to be exact) more than the rate on the authorized part, i.e. between 48 and 60 per cent.

Fixed interest rate loans, available in sums of NIS 10,000 and more, will remain at 36 per cent.

The other banks are more or less in line with the Big Two, since their prime rates are all at 21 per cent. Excess rates, however, vary somewhat, with Leumi's 12 per cent by far the cheapest. Discount and First International charge 15 per cent, and Mizrahi matches Hapoalim's 16 per cent rate. Personal overdraft rates depend on the amount and the customer's relationship with his branch.

but are roughly in line with those noted above, i.e. in the 35-45 per cent band.

Moving on to the other side of the coin, namely the deposit rate structure, we find that even large amounts are no longer able to get more than 22-23 per cent per annum for periods of two to three months, with short-term deposits getting rather less, down to even 19-20 per cent. These short-term rates, however, fluctuate considerably in line with the cash inflows and outflows of each bank at different times of the month.

Usually, the first part of the month finds the banks with the most liquidity, while the value-added tax payments of the 16th and after, plus other factors, reverse this trend. It therefore remains to be seen whether the low interest rates currently available will not improve later in May.

But in any event, the rates do not extend past 24 per cent even for large amounts, while the average person's few thousand shekels, generally available for short periods of time, get less than 20 per cent. Whether these rates will be sufficiently attractive to continue sucking in to the country large sums of hot money from abroad, or even whether local investors will be sufficiently enamoured of them to continue preferring short-term unlinked shekel deposits over alternative investments, has yet to be seen.

This is one set of calculations, valid for those who have money spare. People with overdrafts will do well to ponder the high cost of funds, even at the lower levels, while people with both savings and overdrafts will note that the former bring half the interest that the latter cost. Although this is not a new phenomenon, and it has not yet cramped the rapid expansion of consumer credit, it remains something worth remarking on.

Finally, in terms of relative costs, it is worth noting that if the CPI does indeed run at a 1-1.5 per cent monthly rate during the summer, then the real cost of credit for consumers (and indeed others) is going to be extremely high. In addition to all these financial calculations, everyone is obliged to factor in political considerations regarding the expected life of the national unity government, the likelihood of early elections and the effect of all these on the economy, the financial markets in particular.

The foregoing, however, is only the local part of the increasingly complex equation. The trend toward higher U.S. interest rates is now more or less confirmed, and the second prime rate rise in a month has come on top of a sharp jump in short-term deposit rates. Although this has not yet stemmed the dollar's slide, the fact that dollar rates are rising while the rates on other currencies are falling suggests that sooner or later a new equilibrium point will be reached.

This emerging situation has several ramifications for the local scene. It could, taken together with shekel rate trends noted above, slow or halt the inflow of funds from abroad. It could also change the relative balance between dollar-denominated and linked investments (bonds and bank shares) and index-linked or unlinked investments. If higher dollar interest rates lead to a turnaround or even stabilization in the dollar rate abroad, there will be opposing influences on dollar bonds. On the one hand, the attractiveness of dollar investments in general will grow, while on the other, bond yields will rise and prices will drop.

It seems reasonable to suggest that there will be no rush back into the dollar until people are convinced that the long drop has ended. But the possibility of the dollar's return to favour, and the reality of rising dollar interest rates, makes an already complicated situation even worse than before. Investors can expect a long, tough summer.

Israel Money Markets

Shekel Deposits (annual rates)

Bank	Deposit Size	10 days	7 days	14 days	30 days
Bank Leumi	1,000-9,999	21.25	21.75	21.50	21.75
	10,000-49,999	22.75	22.75	22.50	22.75
	50,000+	23.25	23.25	23	23.25
Hapoalim (April 28)	1,000-9,999	8.00	8.00	10.00	12.00
	10,000-49,999	16.00	16.00	17.50	17.50
	50,000+	17.00	17.00	17.50	18.00
Discount (Apr. 30)	1,000-10,000	17.00	17.50	18.00	18.00
	10,001-50,000	16.00	16.00	17.00	17.00
	50,001-99,999	17.50	17.50	18.50	20.00
Mizrahi	40-999	17.00	17.50	18.50	20.00
	1,001-7,500	17.00	17.50	18.50	20.00
	7,501-10,000	17.00	17.50	18.50	20.00
First Int'l (April 8)	10,001-50,000	17.00	15.10	15.10	15.00
	50,001-100,000	22.00	21.80	21.40	21.00
	100,001-499,999	22.00	21.80	21.40	21.00
	500,000+	24.00	22.80	22.80	22.50

Patah (foreign currency deposit rates, May 1)

Currency (min. deposit)	3 MONTHS	6 MONTHS	12 MONTHS
U.S. dollar (\$100,000)	6.250	6.500	7.000
Pound sterling (£100,000)	7.875	8.000	7.750
Deutsche Mark (DM 200,000)	3.000	3.000	3.000
Swiss franc (SF 200,000)	2.875	2.875	3.000
Yen (¥ 10 million)	2.500	2.500	2.500

SOURCE: BANK LEUMI. Rates vary according to size of deposit.

Shekel Foreign Exchange Rates (May 1)

CHEQUES AND TRANSFERS	Banknotes	Rep.
Buy	Sell	
U.S. dollar	1.6990	1.6990
U.S. dollar	1.6711	1.6711
Deutsche Mark	0.8822	0.8822
Pound sterling	2.6300	2.6300
French franc	0.2643	0.2643
Japanese yen (100)	1.1235	1.1235
Dutch florin	0.7825	0.7825
Swiss franc	1.0748	1.0748
Swedish krona	0.2533	0.2533
Norwegian krona	0.2385	0.2385
Danish krone	0.2347	0.2347
Finnish mark	0.3827	0.3827
Canadian dollar	1.1020	1.1020
Australian dollar	1.1108	1.1108
S. African rand	0.7888	0.7888
Belgian franc (10)	0.4222	0.4222
Austrian schilling	1.2538	1.2538
Italian lira (1000)	1.2322	1.2322
Jordanian dinar	—	—
Egyptian pound	—	—
Irish punt	1.2349	1.2349
Spanish peseta (100)	2.3588	2.3588
Source: BANK LEUMI	1.2582	1.2582

Foreign Markets

EUROPEAN FINANCIAL MARKETS (May 4)

Precious Metals	Libor Rates
Gold	1 month 3 month 6 month
London	9 1/4 9 1/4 9 1/4
Paris	9 1/4 9 1/4 9 1/4
Zurich	9 1/4 9 1/4 9 1/4
Silver	1 month 3 month 6 month
London	4 3/4 4 3/4 4 3/4
Paris	4 3/4 4 3/4 4 3/4
Zurich	4 3/4 4 3/4 4 3/4
Platinum	1 month 3 month 6 month
London	4 3/4 4 3/4 4 3/4
Paris	4 3/4 4 3/4 4 3/4
Zurich	4 3/4 4 3/4 4 3/4
Source: MARINE MIDLAND BANK	

Foreign Currency Crossrates (London May 1)

Forward rates	Spot	3 months	6 months	12 months
Pound sterling	1.6888/85	1.6875	1.6875	1.6875
Deutsche Mark	1.7834/45	1.7834/45	1.7834/45	1.7834/45
Swiss franc	1.4810/20	1.4810/20	1.4810/20	1.4810/20
Dutch florin	2.0110/20	2.0110/20	2.0110/20	2.0110/20
French franc	5.8500/00	5.8500/00	5.8500/00	5.8500/00
Japanese yen	140.20/70	140.20/70	140.20/70	140.20/70
Italian lira	1776.0/5	1776.0/5	1776.0/5	1776.0/5
Belgian franc	38.30/00	38.30/00	38.30/00	38.30/00
Canadian dollar	1.3370/80	1.3370/80	1.3370/80	1.3370/80
Australian dollar	1.1940/50	1.1940/50	1.1940/50	1.1940/50
S. African rand	0.5000/20	0.5000/20	0.5000/20	0.5000/20
Norwegian krona	12.55/57	12.55/57	12.55/57	12.55/57
Swedish krona	8.2400/00	8.2400/00	8.2400/00	8.2400/00
Danish krone	6.8000/00	6.8000/00	6.8000/00	6.8000/00
Source: MARINE MIDLAND BANK	6.7000/00	6.7000/00	6.7000/00	6.7000/00

Share Indices

Comment: Bank 50 stocks 11776.1-8.1 Financial Times 100 stocks 2747.4-2747.4

NEW YORK FINANCIAL MARKETS (May 4)

U.S. Money Rates

Prime rate	8.00%	Fed funds (last)	7%
Broker's call	8 1/4%	Long-term bond	8 1/4%
NY Fed (3 months)	7 1/4%	Discount rate	5.5%

New York Foreign Exchange

	DMK	SFR	STG	YEN	CAN
Prev. closing	1.7715/55	1.4845/55	1.6720/30	140.18/15	1.3410/15
Opening	1.7705/55	1.4855/55	1.6715/30	139.85/05	1.3410/15
Latest	1.7647/57	1.4805/50	1.6841/48	138.50/05	1.3462/67

Comments: The dollar made a marginal recovery yesterday against the yen on short covering but hovered just above a record low of 1.445 Swiss franc and close to 6 1/2 year lows against the Deutschmark. Last week's inconclusive U.S.-Japan trade talks and U.S. Commerce Undersecretary Bruce Smart's negative comments yesterday morning continued to weigh on the dollar.

Precious Metals

Gold	Spot	482.35	Silver	Spot	8.65
	Prev. close	487.30		Prev. close	8.20

Wall Street (Prices as of 10:00 EST)

Market Indices	NYSE Highest Volume
DJ Industrials	2,284.52 +4.12
DJ Transport	823.70 +7.25
DJ Utility	203.54 +1.44
S&P 500	851.01 +3.50
NYSE Comp	182.12 +0.48
NYSE Inds	198.38 +0.56
NASDAQ	418.41 -0.03
S-P 100 Index	284.49 +1.22
S-P Comp	288.21 +1.18
S&P 500	285.98 +0.98

Statistics

NYSE	Volume	138,511,000	NASDAQ	Volume	144,898,300
	Stocks up	808		Stocks up	1,342
	Stocks down	867		Stocks down	938

Comments: Wall Street stocks turned mixed yesterday in light trading as investors, remaining cautious amidst dollar and bond weakness, sought safety among blue chips. The broader market, however, remained lower. IBM and Intel provided much of the blue chip strength. IBM rose 1 1/2 to 162 1/2 and Intel to 148 1/2.

Israeli Stocks Traded in New York

NYSEAmex	Last	Prev. close	High	Low	Vol.
Alliance	—	13 1/2	29 1/2	28 1/2	86
Am. Tel. Pap.	38 1/2	38 1/2	39 1/2	38 1/2	86
Amel Corp.	1 1/2	1 1/2	1 1/2	1 1/2	5
Beit	1 1/2	1 1/2	1 1/2	1 1/2	17
Elz Lavud	9 1/4	9 1/4	9 1/4	9 1/4	10
Leumi Inds	12 1/4	12 1/4	12 1/4	12 1/4	25

Over-the-Counter	Last	Prev. close	High	Low	Vol.
Anyt	—	7 1/2	7 1/2	7 1/2	4 1/2
Bank Leumi	23	23	23	23	1,342
Beit	1 1/2	1 1/2	1 1/2	1 1/2	2 1/2
ECI Tel	5 1/2	5 1/2	5 1/2	5 1/2	3
Elron	7 1/2	7 1/2	7 1/2	7 1/2	2 1/2
Fluorocin	8 1/2	8 1/2	8 1/2	8 1/2	1 1/2
IDB	5 1/2	5 1/2	5 1/2	5 1/2	3 1/2

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Moment of truth

KING HUSSEIN'S legendary phone call that would signal an opening for peace talks with Jordan has formed part of Israel's political vocabulary for nearly 20 years. The formal call never came, but he was the first Arab leader who was sufficiently courageous and pragmatic to maintain direct contacts during the past two decades with leading Israeli government ministers in repeated attempts to explore the options of a peace settlement.

The existence of such meetings, whether somewhere along the common border between Israel and Jordan, or in London, or at some other location, was always denied by both sides for obvious reasons. When Moshe Dayan became foreign minister in 1977 in Menachem Begin's first Likud government he held two meetings in London with the Jordanian monarch, before he decided to try for a peace agreement with Egypt.

Aware of Israel's basic position that it could not withdraw to the pre-1967 borders in the West Bank, and that some sort of territorial compromise would have to be agreed upon in a peace settlement, Hussein always maintained that he could agree to territorial concessions on his part only with the full consent of Palestinian representatives.

If to judge by consistent accounts of recent intensive contacts between Amman and Jerusalem, primarily through the good offices of U.S. shuttling Middle East envoy Wat Cluervius, King Hussein seems now ready, more than ever before, for direct peace talks with Israel under the umbrella of an international conference. There seem to be still two major points that have to be ironed out in clear language: the power and authority of the international conference that would comprise the five permanent members of the Security Council and all the parties concerned, beyond the formal opening session; and the nature of Palestinian representatives in a joint Jordanian-Palestinian delegation.

A carefully worded statement on Sunday by Jordanian Prime Minister Zaid al-Rifai, worked out in detail together with the king and the Jordanian chief of staff, seems to provide an answer to the tricky question of Palestinian representation. Although it calls for the participation of the PLO in light of the Hussein-Arafat agreement of February 1985 - since abrogated by both sides, of which there is no mention - it specifies clear conditions for PLO attendance at the conference: acceptance of Security Council resolutions 242 and 338 and the "renouncing of any acts of violence and terror."

These conditions are identical with those stipulated by Washington for some time. If accepted by Palestinian representatives who support the PLO, even a broad spectrum of political leaders in Israel would be inclined to negotiate with them.

Moreover, there is reference in the Jordanian statement to restoration of "legitimate rights of the Palestinian people," in line with the language used in the 1978 Camp David accords.

There is certainly more than meets the eye which one should be able to read between the lines of the Amman declaration. But in its punch line it puts the ball squarely into Israel's court in that it calls for an agreement by the Israel government to the convening of an international peace conference.

It is precisely such a conference which might even bring Syria to the negotiating table that Hussein must insist upon, because he knows that he, too, will have to accept the principle of territorial compromise for peace. That, indeed, is also the key issue in Israel's moment of truth in its national debate.

LIKUD

(Continued from Page One)

and perhaps sanctions," Levy said. Trade Minister Ariel Sharon said settlement was the most effective answer to "the Hussein-Peres plan for the Land of Israel."

"We are in great danger," he said. "Matters have never gone this far. The time for speeches has passed." Likud ministers must put "every financial resource" into strengthening settlements, he said.

Minister-without-Portfolio Yitzhak Moda'i vowed that the Likud would never be "dragged into an international conference, and a false peace." He said the fallen in Israel's wars had died "to make settlement possible in all parts of the Land of Israel."

Former Finance Minister Yigael Hurvitz (Ometz), who was warmly welcomed as a non-Likud speaker, said the Soviet Union would demand an active role in the peace conference. "They won't come just to eat caviar, drink vodka and say, 'well done,'" he said. But he warned that new elections would be costly, and that there was no alternative to continued existence of the unity government.

"An economy can't be run by half a nation," he said. "It's foolish to break up the national unity government for a conference which will lead to nothing anyway."

Menachem Shalev writes: The Herut minister's rally at Ariel demonstrated the Likud's three-pronged attack on Peres's latest moves.

The first prong is aimed at undermining Peres's credibility. The foreign minister operated "behind Shamir's back" and in contravention of the government's guidelines, they say. Peres's assurances on what he

achieves are also suspect: "He promises things in the name of the Soviet Union and China," said David Levy, adding that "if they had accepted his terms, they would have said so through their official representatives."

Ministers Ariel Sharon and Yitzhak Moda'i have ridiculed other "balloons" floated by Peres, including the "Marshall Plan for the Middle East," and his meetings with Morocco's King Hassan.

The second prong highlights the "trap" awaiting Israel in an international conference attended by the five "hostile" permanent members of the UN Security Council.

The third prong focuses on the substance of the peace talks themselves. Minister Moshe Katsav said yesterday that "we will not allow territories to be returned under the guise of an international conference."

"They won't come just to eat caviar, drink vodka and say, 'well done,'" he said. But he warned that new elections would be costly, and that there was no alternative to continued existence of the unity government.

Finally, the Likud warns of the dire economic effects of an election campaign, which, they say, is Peres's "real" goal.

"Labour rejects forecasts of election-induced economic damage. Labour asserts that, on the contrary, the current stability can enable damage-free elections, while economists forecast economic turbulence in eight or nine months just before the current November 1988 date for elections."

The main thrust of Labour's attack against the Likud is the attempt to portray Shamir and his colleagues as a "rejectionist front to peace," as Energy Minister Moshe Shahal depicted them last week. In this context, Labour plans to exploit the opposition of Shamir and Arens to the Camp David accords in 1978.

THE UNUSUAL public appeal published simultaneously in *The Jerusalem Post* and *The Washington Post* by Jordan's Ambassador to the U.S. Mohammed Kamal to American Jews, asking them to help advance the peace process between Israel and her Arab neighbours, will not surprise those who know this warm human being and unconventional diplomat.

And yet, what comes through in the article is a strangely distorted view of the 40-year-old conflict between the Arab countries and the State of Israel, a distortion that says more about the intractability of this conflict than I suspect Ambassador Kamal intended to say.

The article is full of advice to Israelis, to the American Jewish community, and to the U.S. administration. All those partners, we are told by the ambassador, could make a constructive contribution to the peace of the area if only they would improve their ways. And he is very specific about what they should do to help the peace process along. Fair enough.

BUT WHAT about the Palestinians, the PLO, Jordan, and the Arab countries? Isn't there some contribution, however small, they should be asked to make to what Ambassador Kamal repeatedly refers to as a common problem and a common goal? Apparently not, for his article contains not even a single such suggestion.

It would seem that everything the Palestinians, the PLO and the Arab countries have been doing is just about right. If only the Israelis were more compromising, if only American Jews were less insistent on opposing U.S. arms shipments to Arab countries, and if only the U.S. were tougher on Israel, then the progress towards peaceful coexistence in the Middle East could proceed!

I suspect the ambassador was encouraged to reach out for "Jewish help" because of his awareness that some important sectors of the American Jewish community have not hesitated to oppose certain aspects of Israel's policy. Specifically, there

Some facts for a friend from Jordan

Henry Siegman

are American Jews who believe, as do their many counterparts in Israel, that it is not in Israel's interest to annex the West Bank, or to maintain a prolonged occupation over more than one million resentful Palestinian Arabs. Like their (much more numerous) Israeli counterparts, they have been urging Israel's leaders to withdraw from much of the West Bank (and Gaza), especially from populated areas, and to retain only that which is absolutely essential for security.

It is critical to any future Arab-Jewish cooperation, particularly of the kind invited by Ambassador Kamal, that there be no misunderstanding of the motives of those American Jews who have urged this position on Israel. They believe that retaining these territories is, in the long run, a greater threat to Israel's security than relinquishing them - which clearly also involves serious security risks. It is the lesser of two evils, for if Israel were to stay put, it would, in time, either cease being a Jewish state (given the rate of Palestinian population growth), or cease being a democracy (if it were to deny equal citizenship to West Bank Palestinians).

It is important to understand that it is this hard-nosed assessment of the dangers that the present situation poses for Israel's future, and not liberal-sentimentality, or naive faith in the benign intentions of the PLO, or even an acceptance of the Arab

world's claim for the Palestinians, that underlies the attitudes of those who have been mistakenly described as "doves" in the Jewish community.

AFTER 40 years of much hypocrisy, a little truth-telling is surely in order. Yes the Palestinians Arabs have a claim to a homeland no less than did the Jews. The Jews recognized and granted that claim when they accepted the UN's partition plan in 1947 setting up two separate states in Palestine - a Jewish one and an Arab one. It was the Palestinian Arabs and their surrogates in the various Arab countries who rejected this partition and set about destroying the embryonic Jewish state. They failed - and in the process lost some of the territory the UN had assigned to the Palestinian Arab state.

In 1967, they tried again. Ambassador Kamal's country took part in that war whose declared object was the destruction of Israel. Again, Israel persevered, at no small cost in the lives of its citizens. In the process it acquired the territory it now occupies (minus Egyptian land, which Israel gave back in return for nothing more tangible than a peace treaty).

Even in 1967, Israel offered to return virtually all of the territories - with the exception of Jerusalem - it had acquired in that war, if the Arab world accepted the legitimacy of its existence within its pre-1967 borders. Israel's offer was met by the famous "three nos": no recognition,

no negotiation, no peace.

Then came the Camp David Accords, which provided for "full autonomy" for the Palestinians in the West Bank and Gaza. Although it was clear that this autonomy would inexorably lead to Palestinian independence (a realization that led Prime Minister Menachem Begin to try to place the most restrictive construction on the agreement), the Arabs rejected the agreement.

Recently, Foreign Minister Shimon Peres's strenuous and relentless pursuit of negotiations with the Palestinians (including, remarkably, pro-PLO and even PLO Palestinians, some of whom he personally met recently) received the PLO reply: no let-up in their war against Israel.

Even today, if the Palestinians were to state publicly that they renounce terrorism and recognize, without reservations and qualifications, the legitimacy of Israel's existence, there is little question that Israel - even those who want to hold onto the West Bank for nationalistic or religious reasons - would have no choice but to negotiate with the Palestinians. Neither the U.S. nor - more importantly - Israeli public opinion would allow any Israeli government to reject direct negotiations with the Palestinians in such dramatically changed circumstances.

GIVEN THE fact that Palestinians have the capacity to virtually compel Israel to negotiate with them by recognizing Israel's legitimacy, who has the moral right to ask Israel to make concessions to Palestinians before such Palestinian recognition? After all, it is Israel that is holding territory that Palestinians want, not the reverse. It borders on the absurd to demand that Israel take the initiative to relinquish the territory it holds in order to save the Palestinians the inconvenience of having to recognize its existence.

When I recently made this point to an Arab mayor of a West Bank village, he said to me, "You are right, but if we take the first step, we risk execution by the PLO." I pointed out to the mayor that most

nations, including Israel and the U.S., paid a high price in human lives to achieve their independence. If the Palestinians were not prepared to pay that price because they do not wish to provoke the PLO that is their business. But what right do they have to demand that Israelis risk their lives themselves are not willing to take even to achieve their own independence? At the very least they should have the decency to identify clearly the real enemy who stands in the way of their independence.

IT IS for this reason, Ambassador Kamal must understand, that so called "Jewish doves" have lost whatever sympathy they may have had for Palestinian claims. If they nevertheless urge Israel to end its occupation of the West Bank, it is because they do not wish Israel's permanent vocation to be that of an occupier. It has little to do with the virtues of Palestinian claims, and even less with those of Jordan or of other Arab countries, who cynically stood by as Palestinian women and children were massacred by fellow Arabs in Lebanon without lifting a finger. It has everything to do with standards of democracy and equality that Israelis demand of themselves, for which, incidentally, there are precious few models in the Arab world.

These are harsh and unpleasant truths. But it would be no service to the common search for peace to which Ambassador Kamal has invited us to pretend they do not exist.

I respect and admire the ambassador's goodwill in reaching out to American Jews. It is hoped that he and those of his colleagues who share his commitment to peaceful coexistence with Israel will also reach out to the Palestinians and to the Arab countries in the region, and invite them to join in as well. Above all, it is hoped that he and his government will reach out directly to the State of Israel, for in that very reaching out lies the solution to the Arab-Israeli conflict.

The writer is executive director of the American Jewish Congress.

READERS' LETTERS

KIBBUTZ HAGGADA

To the Editor of The Jerusalem Post

Sir, - In his article in your magazine of April 10, "Twist heaven and earth," Lev Beinfeld quotes me as saying that Berl Katznelson wrote the first kibbutz Haggada in 1935.

I never said that. Berl Katznelson never wrote a Haggada for any kibbutz. What I did say to your reporter was that the first kibbutz Haggada, which appeared in 1935 and included

many elements of Jewish tradition, was certainly written under the influence of a lecture given by Berl in 1934 to Jewish youth leaders, in which he warned against the tendency to exclude our heritage from Jewish holidays, and his impressive words on Pessah were subsequently included in most of the kibbutz Haggadot.

MEIR AYALI

IN DEFENCE OF CARTER

To the Editor of The Jerusalem Post

Sir, - In response to E.A. Green's injudicious comments about former president Jimmy Carter (letters - April 7), may I say that Israelis are free, as they always have been, to welcome American politician leaders as they see fit. But, in the process, they should know why they do what they do.

From the start of Jimmy Carter's campaign for the presidential nomination, I viewed him as being far too conservative, economically, for the bulk of Jewish voters. And I was right. Yet, in his four years as president, he was never charged with being dishonest, deceitful, forgetful or a violator of our nation's laws. There was no Watergate or Irangate under his administration. His appointments to federal regulatory agencies and commissions, and to the

federal judiciary were consistently constructive, and at times outstanding.

Carter never, for example, appointed a chief justice who condoned anti-Semitic clauses in housing contracts. And he became one of our nation's great supporters of human rights in Latin America, Africa, the Middle East and elsewhere in the world. This helps explain his responsible opposition to the Shah in Iran and to Somoza in Nicaragua. But neither he, nor any other president, could decree the type of government which would evolve after a revolution, except for direct intervention through the CIA or the military. A great president? No. But certainly far, far from "the worst president of this century."

BERNARD BELLUSH
Great Neck, N.Y.

LAST CHANCE

(Continued from Page One)

tion date. Labour, he said, would this time avoid the mistake of the 1984 summer elections, when more Labour supporters than Likud voters were thought to have been on vacations abroad.

The main outstanding problem showing progress towards the conference itself is that of Soviet participation, according to a senior Labour source. Soviet non-participation in the conference means that the Jordanians won't participate - which means no conference.

But the source indicated that the Soviet problem - over Israel's two conditions for Soviet participation - is soluble through some sort of graduated formula.

Asher Wallfish writes: The gulf between Premier Shamir and Vice Premier Peres over the international conference proposal, grew still wider over Independence Day, as the two leaders and their followers intensified the controversy in interviews and statements.

Shamir said in an Israeli Radio interview yesterday that the international conference proposal was "half-baked" and hence did not enable a proper cabinet discussion as yet.

Shamir said that the Likud had no wish to procrastinate, but it wanted the facts to be clear and the fog to be dispelled before it felt it had to put the issue to the electorate.

"There is no sense in quarrelling about an incomplete proposal and going to an election over it, only to find out that nothing will come of it all in the end," Shamir said. "All we would be doing would be to pay the price of early elections in the form of damage to the national economy and its hard-won stability."

Shamir said the proposal contained more unknowns than

knowns. He said that these related to the U.S., Jordan and the Soviet Union, for instance. "We do not know whether the Soviet Union would agree to attend the conference and whether Jordan would come if the Soviets stayed away," he said.

"Let's examine the proposal to see if it's serious before we run amok," he said.

Vice Premier Peres spoke with great optimism about the prospects for an international conference and for talks with Jordan when he spent an hour at the Ashkelon National Park greeting families at their Independence Day picnics.

Peres said: "The far-reaching statements of the government of Jordan have created a golden opportunity to promote the Middle East peace process. There is change and progress in the positions and we must not miss this opportunity on any account."

Peres said: "The only ones who do not see the change are Shamir and (Industry Minister Ariel) Sharon".

He said that the main points in the Jordan government statement refer to acceptance of Security Council resolutions 242 and 338; rejection of terror; and consent to co-opting a Palestinian delegation into the Jordanian delegation.

Peres said: "These three points go

counter to the position of the PLO. In this new situation, where that organization is out of the picture, we can and must move without delay to convene the international conference, and sit down to direct talks with a Jordanian delegation."

Earlier, in an interview over Israel Radio, Peres said flatly: "The Israel cabinet must decide this week if it wants peace negotiations. The present week will be decisive. There is no reason to put this off."

Shamir listed some of his doubts and concerns in a long interview with *Maariv* diplomatic correspondent, Raphael Mann, printed on Sunday morning:

• Jordan has not agreed to a conference serving as a corridor to direct talks

• The draft which he got from U.S. ambassador Pickering bore no signature

• France does not envisage an international conference serving as merely a ceremonial opener to bi-lateral talks

• The Soviets demand an international conference will full powers.

• It is hard to rely on the U.S. and Israel walking out of an international conference together, if the scenario goes wrong

Sharon, speaking on Monday, called on King Hussein to "summon up your courage, stand up, and begin direct, open and above-board negotiations with Israel."

SAFE NUCLEAR PLANT?

quote that this nuclear plant is militarily non-vulnerable. I recall Professor Ben-Ya'acov of Tel Aviv University warning that "a successful terrorist strike against an atomic power plant in the Negev could leave up to half of Tel Aviv and Haifa suffering from radiation sickness" (J.P. June 5, 1986).

In October 1983 at a Jerusalem symposium, Dr. Alex Beck of the Atomic Energy Commission said

FRENCH TV DOCUMENTARY

To the Editor of The Jerusalem Post Sir, - I am stunned at the violence of your critique of a documentary I happened to see in France myself (TFI's "Journey inside occupied Palestine," dealing with daily life in the Territories), in which I did not find the slightest trace of that violent and anti-Semitic quality which your correspondent attaches to it (April 21).

There is nothing in the report which Israel TV doesn't show and describe daily (the labour exchanges or "slave markets," the women bemoaning their demolished homes, tense confrontations between youths and soldiers, etc.). Could it be that what is the healthy expression of a vibrant Israeli democracy at home becomes anti-Semitic propaganda abroad?

As for such problems as the lack of

adequate medical care in the villages, the "individual misery" (Meron Benvenisti's term) of peasants-turned-migrant workers through the loss of their land, no informed person makes any bones about them, including leading members of Israel's governing parties.

The Israel embassy and lobbying groups abroad are only doing their job when they fight what they consider negative coverage with hostile communiques, but when the struggle is joined by an independent newspaper's independent correspondent, some critical re-thinking should and must be done. Or, at least, so thinks the signatory of this letter, an old and good friend of Israel.

JOEL HOFFMANN

Jerusalem (Femey, France).

THE VAN LEER JERUSALEM INSTITUTE

invites the public to the following lectures:

1. Professor HENDRIK BRUGMANS, Rector Emeritus, Europe College, Brugge will lecture on:

EUROPEAN INTEGRATION: A WINNING AND A LOSING CAUSE

Chairman: Professor Dan Avni on Monday, May 11, 1987 at 8:00 p.m.

2. Professor RUTH ANNA PUTNAM

Department of Philosophy, Wellesley College will lecture on:

VIRTUES

Chairman: Dr. David Heyd on Thursday, May 4, 1987, at 8:00 p.m.

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to be given by

Prof. Stephen J. Lippard

Department of Chemistry
Massachusetts Institute of Technology, Cambridge, MA, U.S.A.

Platinum Anticancer Drugs: How They Might Work

The lecture will be given in the main Chemistry Auditorium (Hall 7) in the Los Angeles building, Givat Ram Campus, on Thursday, May 7, 1987, at 3:00 p.m.

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